

June 4, 2002

MEMORANDUM TO: Stephen D. Dingbaum
Assistant Inspector General for Audits

FROM: Patricia G. Norry */RA/*
Deputy Executive Director for Management Services

SUBJECT: REVIEW OF NRC'S SIMPLIFIED ACQUISITION PROCEDURES
(OIG-02-A-10)

This is to provide you with the Office of Administration's actions in response to Recommendations 1 through 9 of the subject Office of the Inspector General report. We are pleased that you found NRC's simplified acquisition policies to be in accordance with applicable laws, executive orders, and regulations, and that our purchase card program satisfies FAR requirements for use as the preferred method for making micro-purchases. Our responses to your specific recommendations are provided below.

Recommendation 1

Incorporate the purchase card pamphlet into NRC's management directives or Division of Contracts and Property Management instructions.

Response

Agree. The Purchase Card handbook will be incorporated by reference in the proposed revision of Management Directive 11.1, NRC Acquisition of Supplies and Services. We expect to issue the revised directive by July 29, 2002.

Recommendation 2

Revise the purchase card pamphlet to require timely notification to the Assistant Inspector General for Investigations regarding the fraudulent use, loss, or theft of a purchase card.

Response

Agree. The revised Purchase Card handbook will require that the Agency Program Coordinator (APC) contact the Assistant Inspector General for Investigations within 24 hours of a loss, theft, or fraudulent use of a purchase card. Completion date: July 29, 2002.

Recommendation 3

Revise the purchase card pamphlet to require periodic refresher training every two years.

S. D. Dingbaum

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Response

Agree. The revised Purchase Card handbook will require refresher training every two years. Completion date: July 29, 2002.

Recommendation 4

Revise the purchase card pamphlet to require the Program Coordinator to document approved exceptions to purchase card use.

Response

Agree. Although the APC currently keeps records of exceptions, this documentation is not readily accessible in a central file. The revised Purchase Card handbook will require the APC to maintain a central file reflecting any approved exceptions to Purchase Card use. Completion date: July 29, 2002.

Recommendation 5

Eliminate or update the section of the internal web site concerning purchase cards.

Response

Agree. We have removed the Purchase Card handbook from the DCPM internal web site; the revised handbook will be posted on this same web site. Completion date: July 29, 2002.

Recommendation 6

Enhance the checklist for quality control reviews to include the following key Federal Acquisition Regulations requirements: pricing, authorization, and whether a transaction is a split purchase.

Response

Agree. While our current practice is to review these areas, we have revised the checklist to include reference to these requirements and assure consistency in our review process. (See Attachment 1.)

Recommendation 7

Strengthen reports on quality control reviews of purchase card transactions by including information on the universe, sample, errors, and error rate to assist in program evaluation and decision making.

Response

Agree. Future reports will include this information as appropriate.
S. D. Dingbaum

Recommendation 8

Require annual review of purchase card transactions in the regions and in headquarters using the same or similar evaluation criteria.

Response

Agree. The Program Coordinator reviewed Regional offices' records for FY 2001 purchase card transactions using the same evaluation criteria used at Headquarters. We will continue to apply uniform criteria in our annual review of Regional offices and Headquarters transactions.

Recommendation 9

Revise NRC Form 270, "Separation Clearance," to require that the Program Coordinator serve as a clearing official to ensure that employees return their purchase cards prior to separating from the agency.

Response

Agree. The NRC Form 270, "Separation Clearance," has been revised to include a block for the Program Coordinator to sign prior to employees separating from the agency. (See Attachment 2.)

The point of contact for any questions on this matter is Mary Lynn Scott, ADM/DCPM/PAOB (301-415-6179).

Attachments:

1. Checklist
2. Revised NRC Form 270

cc: John Craig, OEDO

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Recommendation 9

Revise NRC Form 270, "Separation Clearance," to require that the Program Coordinator serve as a clearing official to ensure that employees return their purchase cards prior to separating from the agency.

Response

Agree. The NRC Form 270, "Separation Clearance," has been revised to include a block for the Program Coordinator to sign prior to employees separating from the agency. (See Attachment 2.)

The point of contact for any questions on this matter is Mary Lynn Scott, ADM/DCPM/PAOB (301-415-6179).

Attachments:

- 1. Checklist
- 2. Revised NRC Form 270

cc: John Craig, OEDO

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PURCHASE CARD REVIEW CHECK LIST

Cardholder Name:

Date of Review:

AO Name:

Period Covered:

Specific Review Criteria	Yes	No	N/A
Is the Purchase Card properly secured, i.e., is the cardholder the only individual placing the orders?			
Is the Purchase Card log completed properly (including delivery)?			
Was all documentation filed and attached to the monthly statement of account (after reconciliation had been completed)?			
Were adequate funds certified before use of the Purchase Card?			
Were all IT purchases approved by the Office's IT coordinator and OCIO?			
Were equipment purchases tagged and tagging data sheets forwarded to DCPM?			
Was sales tax paid?			
Was statement signed and dated by Cardholder and Approving Official?			
Additional Findings, Comments or Recommendations: (e.g., Does the price appear fair and reasonable, are purchases authorized by law or regulation, and have the purchases been improperly split into more than one purchase?)			