

March 2, 2006

MEMORANDUM TO: Jesse L. Funches
Chief Financial Officer

FROM: Stephen D. Dingbaum/**RA**/
Assistant Inspector General for Audits

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF THE
NUCLEAR REGULATORY COMMISSION'S
FY 2003 FINANCIAL STATEMENTS (OIG-04-A-03)

Attached is the Office of the Inspector General's status of recommendation 2 from the Audit of NRC's FY 2003 Financial Statements. Based on discussion between representatives from OIG and OCFO, resolved recommendation 2 is being closed for administrative purposes only. This recommendation will continue to be tracked as resolved recommendation 4 in the FY 2005 Financial Statement Audit. Accordingly, OIG and R. Navarro & Associates, Inc. will continue to evaluate corrective actions taken to implement this recommendation during the course of the FY 2006 Financial Statement Audit. Recommendations 1 and 3 were previously closed.

Should we be able to close this recommendation during the course of the FY 2006 Financial Statement Audit, we will provide written notification accordingly. Otherwise, a determination of the status of the resolved recommendation will be made at the conclusion of the FY 2006 Financial Statement Audit.

If you have any questions or concerns, please call me on 415-5915.

Attachment: As stated

cc: William Dean, OEDO
Melinda Malloy, OEDO
Patty Tressler, OEDO

Audit Report

Audit of the Nuclear Regulatory Commission's FY 2003 Financial Statements (OIG-04-A-03)

Status of Recommendations

- Recommendation 2: The CFO should reassess the accounting activities being undertaken by agency personnel to ensure the completeness and propriety of accounting transactions. Additionally, the CFO should be more proactive in monitoring and training project managers to instill discipline which provides reliability of financial information.
- Status:** Administratively closed. This recommendation continues to be tracked as resolved recommendation 4 in the FY 2005 Financial Statement Audit.