

October 18, 2005

MEMORANDUM TO: Jacqueline E. Silber  
Deputy Executive Director  
for Information Services and Administration  
and Chief Information Officer

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

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF  
NRC's CONTRACT CLOSEOUT PROCESS (OIG-05-A-16)

REFERENCE: DEPUTY EXECUTIVE DIRECTOR MEMORANDUM DATED  
OCTOBER 6, 2005

Attached is the Office of the Inspector General's analysis and status of recommendations 1 through 4 as discussed in the agency's response dated October 6, 2005. Based on this response all recommendations are resolved. Please provide an updated status of recommendations by April 15, 2006.

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

Attachments: As stated

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

**Audit Report**  
**Audit of the NRC's Contract Closeout Process**  
**(OIG-05-A-16)**

**Status of Recommendations**

Recommendation 1: Revise Management Directive (MD) 11.1 and the internal contract closeout policy to include Federal Acquisition Regulation (FAR) contract closeout time standards.

Response dated October 6, 2005: **Agree.** The FAR contract closeout time standards will be incorporated into a revision to Division of Contracts (DC) Instruction 92-08. We expect to issue the revised DC Instruction by January 31, 2006. DC plans to include the FAR contract closeout time standards in MD 11.1 by March 31, 2006.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and evaluates the revised DC Instruction and MD 11.1.

**Status:** Resolved.

**Audit Report**  
**Audit of the NRC's Contract Closeout Process**  
**(OIG-05-A-16)**

**Status of Recommendations**

Recommendation 2: Implement, sign, and date the internal contract closeout policy.

Response dated  
October 6, 2005:

**Agree.** The Team Leader, Procurement Policy Team, DC, will sign and issue DC Instruction 92-08 implementing NRC contract closeout policy by January 31, 2006.

OIG Analysis:

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and evaluates the revised and signed DC Instruction.

**Status:**

Resolved.

**Audit Report**  
**Audit of the NRC's Contract Closeout Process**  
**(OIG-05-A-16)**

**Status of Recommendations**

Recommendation 3: Revise the performance metric to address compliance with FAR contract closeout time standards.

Response dated  
October 6, 2005:

**Agree.** The Office of Administration's FY 2006 Operating Plan will include a performance metric for contract closeout based on the FAR time standards. This will be completed by January 31, 2006. DC also plans to work closely with Office of the Inspector General (OIG) in FY 2006 to identify opportunities for OIG to assist with final contract audits and further accelerate the closeout process.

OIG Analysis:

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and evaluates the performance metric in the FY 2006 Operating Plan. OIG will assist DC in efforts to obtain final audits and further accelerate the closeout process.

**Status:**

Resolved.

**Audit Report**  
**Audit of the NRC's Contract Closeout Process**  
**(OIG-05-A-16)**

**Status of Recommendations**

Recommendation 4: Develop and implement a process to monitor compliance with agency deobligation policy.

Response dated  
October 6, 2005:

**Agree.** DC will issue a deobligation policy by January 31, 2006, including a process for monitoring this activity.

OIG Analysis:

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and evaluates the deobligation policy, including the process for monitoring the activity.

**Status:**

Resolved.