

April 21, 2006

MEMORANDUM TO: Luis A. Reyes
Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF
NRC'S AUDIT FOLLOW-UP SYSTEM
(OIG-00-A-05)

REFERENCE: ASSISTANT FOR OPERATIONS MEMORANDUM
DATED APRIL 7, 2006

Attached is the Office of the Inspector General's analysis and status of recommendations as discussed in the agency's response dated April 7, 2006. Based on this information, Recommendations 2 and 3 are closed. This report is now closed.

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

Attachments: As stated

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

**Audit Report
Audit of the Budget Formulation Process
(OIG-00-A-05)**

Status of Recommendations

Recommendation 2: Revise the MD 6.1 Handbook to ensure that the agency conducts periodic analyses of audit recommendations to determine possible trends and system-wide problems and recommend solutions, as required by Circular A-50.

Response dated
April 7, 2006:

Recommendations 2 and 3 of the Office of the Inspector General's audit report on NRC's audit follow-up system (OIG-00-A-05) have remained open pending the completion of corrective actions to incorporate changes to and issue revised Management Directive (MD) and Handbook 6.1, "Resolution and Followup of Audit Recommendations." The revised MD and handbook were approved for issuance effective February 20, 2006, and are now posted on the NRC's web site. They are also available in ADAMS. Hard copies are available from NRC Distribution upon request.

The issuance of the revised MD and handbook satisfies Recommendations 2 and 3 of OIG-00-A-05 and completes all NRC actions relative to this audit report.

OIG Analysis:

OIG reviewed the final MD 6.1 Handbook and determined that it contains provisions that meet the intent of the above recommendation.

Status:

Closed.

**Audit Report
Audit of the Budget Formulation Process
(OIG-05-A-09)**

Status of Recommendations

Recommendation 3: Assess the MD 6.1 Handbook scheduling requirements for conducting audit follow-up reviews. Whether done annually or periodically, the reviews should be conducted on a consistent frequency.

Response dated
April 7, 2006:

Recommendations 2 and 3 of the Office of the Inspector General's audit report on NRC's audit follow-up system (OIG-00-A-05) have remained open pending the completion of corrective actions to incorporate changes to and issue revised Management Directive (MD) and Handbook 6.1, "Resolution and Followup of Audit Recommendations." The revised MD and handbook were approved for issuance effective February 20, 2006, and are now posted on the NRC's web site. They are also available in ADAMS. Hard copies are available from NRC Distribution upon request.

The issuance of the revised MD and handbook satisfies Recommendations 2 and 3 of OIG-00-A-05 and completes all NRC actions relative to this audit report.

OIG Analysis: OIG reviewed the final MD 6.1 Handbook and determined that it contains provisions that meet the intent of the above recommendation.

Status: Closed.