

FY 2007 PERFORMANCE AND ACCOUNTABILITY REPORT A MESSAGE FROM THE CHAIRMAN

I am pleased to present the Nuclear Regulatory Commission's *Performance and Accountability Report for FY 2007*. The NRC has again achieved its safety and security performance goals, and continues to position its resources and infrastructure to maintain its strong oversight of existing facilities and to review applications for new nuclear power reactors, license renewals for existing facilities, and a potential high-level waste repository.

The NRC is committed to ensuring that our resources are well managed. This report provides information that demonstrates that NRC's financial and performance data are reliable and complete and the prudent management of the funds entrusted to it by the American public. The auditors have rendered an unqualified opinion on the agency's FY 2007 financial statements. This is the agency's 11th consecutive clean opinion. This year, the NRC implemented a number of internal control improvements, eliminated a long-standing material weakness relating to the fee billing process, and evaluated its internal controls, including those relating to financial reporting, and the agency's financial management systems as required by the Federal Managers Financial Integrity Act (FMFIA). There is reasonable assurance that the NRC is in compliance with the FMFIA, with the exception of one material weakness related to implementation of the Federal Information Management Security Act associated with the agency's overall Information Technology (IT) security. The NRC has developed a corrective action plan and will continue to work to eliminate the material weakness associated with IT security. (See Chapter 1, *Audit Results and Management Assurances*). In support of the President's Management Agenda, the NRC is currently cross servicing its Human Resources, Payroll, e-Travel, and Accounting systems. The agency is also in the process of integrating and modernizing its financial systems to enhance further controls, reporting, and decision-making.

The NRC conducts its regulatory responsibilities to enable the use and management of radioactive materials and nuclear fuel for beneficial civilian purposes in a manner that protects public health and safety and the environment, and promotes the security of the Nation. The Commission is proud of this year's performance in achieving the agency's safety and security goals and looks forward to continuing its high-quality service to the American public in FY 2008 and beyond.



Dale E. Klein
November 15, 2007