

December 18, 2007

MEMORANDUM TO: William M. McCabe
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 2006
FINANCIAL STATEMENTS (OIG-07-A-02)

Attached is the Office of the Inspector General's analysis and status of recommendations 1 through 4 from the Audit of the Nuclear Regulatory Commission's FY 2006 Financial Statements. All recommendations are now closed. No further action is required on this report.

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

Attachment: As stated

cc: Vonna Ordaz, OEDO
Melinda Malloy, OEDO
Patty Tressler, OEDO

Audit Report
Audit of the Nuclear Regulatory Commission's
FY 2006 Financial Statements
(OIG-07-A-02)
Status of Recommendations

Recommendation 1: The Chief Financial Officer (CFO) should continue the assessment of all aspects of the Fee Billing System to ensure that the remediation plan is updated as necessary and implemented in a timely manner to enhance the controls over fee billing processes.

OIG Analysis: Based on analyses performed during the audit of NRC's FY 2007 financial statements, R. Navarro & Associates, Inc. concluded that OCFO has implemented the recommendation. This recommendation is therefore closed.

Status: Closed.

Audit Report
Audit of the Nuclear Regulatory Commission's
FY 2006 Financial Statements
(OIG-07-A-02)
Status of Recommendations

Recommendation 2: The CFO should continue to define, design, and implement compensating controls over the fee billing system, while the system is being considered for redesign.

Status: Administratively closed. This recommendation continues to be tracked as resolved recommendation 2 in the FY 2007 Financial Statement Audit.

Audit Report
Audit of the Nuclear Regulatory Commission's
FY 2006 Financial Statements
(OIG-07-A-02)
Status of Recommendations

Recommendation 3: As the CFO identifies needed improvement of internal controls that are outside OCFO's business domain, there should be further coordination and collaboration with the Executive Director for Operations as to how the internal controls should be strengthened in operational program feeder systems relied upon by OCFO for billing preparation purposes.

OIG Analysis: Based on analyses performed during the audit of NRC's FY 2007 financial statements, R. Navarro & Associates, Inc. concluded that OCFO has implemented the recommendation. This recommendation is therefore closed.

Status: Closed

Audit Report
Audit of the Nuclear Regulatory Commission's
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(OIG-07-A-02)
Status of Recommendations

Recommendation 4: The CFO should continue to coordinate with the Office of Information Services and the Executive Director for Operations to ensure that vulnerabilities to the general support systems are addressed and resolved timely.

Status: Administratively closed. This recommendation continues to be tracked as resolved recommendation 1 in the FY 2007 Financial Statement Audit.