



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

OFFICE OF THE  
INSPECTOR GENERAL

August 22, 2008

MEMORANDUM TO: J.E. Dyer  
Chief Financial Officer

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

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF U.S.  
NUCLEAR REGULATORY COMMISSION'S ACCOUNTING  
AND CONTROL OVER TIME AND LABOR REPORTING  
(OIG-08-A-11)

REFERENCE: CHIEF FINANCIAL OFFICER MEMORANDUM, DATED  
JULY 16, 2008

Attached is the Office of the Inspector General's analysis and status of recommendations as discussed in the agency's response dated July 16, 2008. Based on this analysis, recommendations 1 through 6 are resolved. Please provide an updated status of these resolved recommendations by December 19, 2008. Please include a copy of any project plans related to these recommendations.

If you have any questions or concerns, please contact me at 415-5915 or Steven Zane at 415-5912.

Attachments: As stated

cc: V. Ordaz, OEDO  
J. Arildsen, OEDO  
P. Shea, OEDO

**Audit Report**  
**Audit of U.S. Nuclear Regulatory Commission's Accounting and Control Over**  
**Time and Labor Reporting**  
**OIG-08-A-11**

**Status of Recommendations**

Recommendation 1: The Chief Financial Officer (CFO) should establish high topical level assignment codes in the Time and Labor (T&L) system.

Agency Response Dated July 16, 2008: The OCFO plans to obtain a contractor to perform an independent assessment to study the current processes and make recommendations to address this recommendation. The assessment is scheduled to be completed in the first quarter of fiscal year (FY) 2009 and a project plan developed to address any changes shortly thereafter.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives evidence that NRC has established high topical level assignment codes in the Time and Labor system.

**Status:** Resolved.

**Audit Report**  
**Audit of U.S. Nuclear Regulatory Commission's Accounting and Control Over**  
**Time and Labor Reporting**  
**OIG-08-A-11**

**Status of Recommendations**

Recommendation 2: The CFO and the Executive Director for Operations should develop and implement other types of recordation vehicles, outside of the T&L system, to track specific Project Management and Performance objectives, as warranted.

Agency Response Dated  
July 16, 2008: The OCFO plans to obtain a contractor to perform an independent assessment to study the current processes and make recommendations to address this recommendation. The assessment is scheduled to be completed in the first quarter of FY 2009 and a project plan developed to address any changes shortly thereafter.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives evidence that other types of recordation vehicles, outside of the T&L system, have been implemented.

**Status:** Resolved.

**Audit Report**  
**Audit of U.S. Nuclear Regulatory Commission's Accounting and Control Over**  
**Time and Labor Reporting**  
**OIG-08-A-11**

**Status of Recommendations**

Recommendation 3: The CFO should conduct a detailed system analysis and eliminate redundant paper forms that are not needed.

Agency Response Dated  
July 16, 2008:

Agree. The OCFO will conduct an in depth analysis to ensure the elimination of redundant paper forms as part of the modernization project for the Time and Labor (T&L) system. We are currently assessing the T&L effort to determine if we can incorporate it holistically within the core financial system implementation. We plan to complete our assessment and decide on a path forward in the first quarter of FY 2009.

OIG Analysis:

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives a report on the system analysis that includes a decision on the elimination of redundant paper forms.

**Status:**

Resolved.

**Audit Report**  
**Audit of U.S. Nuclear Regulatory Commission's Accounting and Control Over**  
**Time and Labor Reporting**  
**OIG-08-A-11**

**Status of Recommendations**

Recommendation 4: The CFO should ensure the use of electronic signatures for time reporting and approval.

Agency Response Dated July 16, 2008: Agree. The OCFO is in the process of determining the feasibility of incorporating electronic approval in the current T&L system. A project plan will be developed in the first quarter of FY 2009.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives evidence that electronic approvals have been incorporated into the T&L system.

**Status:** Resolved.

**Audit Report**  
**Audit of U.S. Nuclear Regulatory Commission's Accounting and Control Over**  
**Time and Labor Reporting**  
**OIG-08-A-11**

**Status of Recommendations**

Recommendation 5: The CFO should coordinate with the National Archives and Records Administration to shorten retention requirements for T&L records.

Agency Response Dated  
July 16, 2008: The OCFO will work with the Office of Information Services and the National Archives and Records Administration to research the feasibility of this recommendation. Any applicable changes will be implemented in the second quarter of FY 2009.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives documentation of the decision reached between OCFO and the National Archives and Records Administration on the retention requirements for T&L records.

**Status:** Resolved.

**Audit Report**  
**Audit of U.S. Nuclear Regulatory Commission's Accounting and Control Over**  
**Time and Labor Reporting**  
**OIG-08-A-11**

**Status of Recommendations**

Recommendation 6: The CFO should develop a formal report on the number of open work assignments incorporated in the T&L System and issue the report at regular intervals.

Agency Response Dated July 16, 2008: Agree. The CFO has developed a report that will be sent to the offices quarterly that will report on the open work assignment codes that are not being used on a regular basis. We will begin issuing this report to offices this month.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives (1) copies of the formal report on the number of open work assignments in the T&L system and (2) the OCFO internal policies regarding incorporation of this report and its periodicity into OCFO practice.

**Status:** Resolved.