



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

OFFICE OF THE  
INSPECTOR GENERAL

December 8, 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 THE  
NUCLEAR REGULATORY COMMISSION'S FY 2008  
FINANCIAL STATEMENTS (OIG-09-A-01)

REFERENCE: CHIEF FINANCIAL OFFICER MEMORANDUM DATED  
NOVEMBER 7, 2008

Attached is the Office of the Inspector General's analysis and status of recommendations as discussed in the agency response dated November 7, 2008. Based on the response, recommendations 1 through 4 are resolved. Should we be able to close any recommendations during the course of the FY 2009 financial statement audit, we will provide written notification accordingly. Otherwise, a determination of the status of the resolved recommendations will be made at the conclusion of the FY 2009 financial statement audit.

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

Attachment: As stated

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

## Audit Report

### AUDIT OF THE NUCLEAR REGULATORY COMMISSION'S FY 2008 FINANCIAL STATEMENTS

(OIG-09-A-01)

#### Status of Recommendations

Recommendation 1: Ensure the NRC's long term plans for replacing the core financial management system evaluate the system requirements for recording accounts payable and related accrued expenses at the transaction level.

Agency Response Dated November 7, 2008: Agree. The Office of the Chief Financial Officer (OCFO) will include system requirements for recording accounts payable and related accrued expenses at the transaction level in the functional requirements of the new core financial system.

OIG Analysis: The proposed action meets the intent of the recommendation. We will evaluate the corrective actions taken to implement this recommendation during the course of the FY 2009 financial statement audit.

**Status:** Resolved.

## Audit Report

### AUDIT OF THE NUCLEAR REGULATORY COMMISSION'S FY 2008 FINANCIAL STATEMENTS

(OIG-09-A-01)

#### Status of Recommendations

Recommendation 2: Document the NRC's policies and procedures for calculating, estimating and recording accounts payable for the largest obligations quarterly.

Agency Response Dated  
November 7, 2008: Agree. The OCFO will document the policies and procedures for calculating, estimating and recording accounts payable for the largest obligations quarterly.

OIG Analysis: The proposed action meets the intent of the recommendation. We will evaluate the corrective actions taken to implement this recommendation during the course of the FY 2009 financial statement audit.

**Status:** Resolved.

## Audit Report

### AUDIT OF THE NUCLEAR REGULATORY COMMISSION'S FY 2008 FINANCIAL STATEMENTS

(OIG-09-A-01)

#### Status of Recommendations

Recommendation 3: Consider the accounts payable process a high risk area in connection with the agency's management control program and conduct reviews and testing of the interim quarters for FY 2009 accordingly.

Agency Response Dated  
November 7, 2008:

Agree. While we do not consider the accounts payable process to be a high risk area in connection with our management control program, it merits the continued attention of management. NRC will conduct reviews and testing of the interim quarters for FY 2009 accordingly.

OIG Analysis:

The proposed action meets the intent of the recommendation. We will evaluate the corrective actions taken to implement this recommendation during the course of the FY 2009 financial statement audit.

**Status:**

Resolved.

## Audit Report

### AUDIT OF THE NUCLEAR REGULATORY COMMISSION'S FY 2008 FINANCIAL STATEMENTS

(OIG-09-A-01)

#### Status of Recommendations

Recommendation 4: Establish historical relationships between accrued expenses and unliquidated obligation levels that may support near term calculations of accounts payable and related accrued expenses.

Agency Response Dated  
November 7, 2008: Agree. The OCFO will begin to establish our understanding of the historical relationship between accrued expenses and unliquidated obligation levels through various means including trend analysis.

OIG Analysis: The proposed action meets the intent of the recommendation. We will evaluate the corrective actions taken to implement this recommendation during the course of the FY 2009 financial statement audit.

**Status:** Resolved.