



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

OFFICE OF THE  
INSPECTOR GENERAL

December 17, 2008

MEMORANDUM TO: R. William Borchardt  
Executive Director for Operations

J. E. Dyer  
Chief Financial Officer

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

SUBJECT: MEMORANDUM REPORT: REVIEW OF NRC'S  
IMPLEMENTATION OF THE FEDERAL MANAGERS'  
FINANCIAL INTEGRITY ACT FOR FISCAL YEAR 2008  
(OIG-09-A-04)

This report reflects the Office of the Inspector General's assessment of the Nuclear Regulatory Commission's (NRC) FY 2008 compliance with the Federal Managers' Financial Integrity Act (FMFIA) of 1982. We found that NRC complied with the FMFIA requirements.

### **BACKGROUND**

The FMFIA, enacted on September 8, 1982, requires ongoing evaluations and reports of the adequacy of internal controls and accounting systems of each executive agency. Further, the FMFIA requires that, each year, the head of each executive agency report to the President and the Congress on their agency's compliance with the FMFIA requirements.

Effective for FY 2006, Office of Management and Budget Circular No. A-123, *Management's Responsibility for Internal Control*, revised December 2004, requires agencies to include the annual FMFIA report as part of the Performance and Accountability Report under the heading "Management Assurances." Additionally, this circular requires management to provide a separate assurance statement relating to the effectiveness of internal control over financial reporting.

## **RESULTS**

In the FY 2008 Performance and Accountability Report, the Chairman provided reasonable assurance that internal control over operations, compliance with laws and regulations, and internal control over financial reporting were operating effectively and no material weaknesses were found. The Inspector General concurs with the assurances made and found that NRC complied with the FMFIA requirements.

## **AGENCY COMMENTS**

A draft report was provided to the Executive Director for Operations and the Chief Financial Officer for comment. These offices had no comments on the report.

## **SCOPE/CONTRIBUTORS**

We evaluated the internal controls related to NRC's implementation of the FMFIA for FY 2008, and conducted our work in December 2008, in accordance with generally accepted Government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This audit was conducted by Steven Zane, Team Leader; Kathleen Stetson, Auditor Manager; and Rebecca Underhill, Senior Auditor.

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

cc: Chairman Klein  
Commissioner Jaczko  
Commissioner Lyons  
Commissioner Svinicki  
V. Ordaz, OEDO  
J. Arildsen, OEDO  
P. Shea, OEDO