



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

OFFICE OF THE
INSPECTOR GENERAL

December 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 THE
BUDGET FORMULATION PROCESS (OIG-05-A-09)

REFERENCE: CHIEF FINANCIAL OFFICER MEMORANDUM DATED
DECEMBER 9, 2008

Attached is the Office of the Inspector General's analysis and status of recommendations as discussed in the agency's response dated December 9, 2008. Based on this response, recommendations 1-3 remain in a resolved status. Recommendation 4 was previously closed. Please provide an updated status of the resolved recommendations by August 31, 2009.

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

Attachments: As stated

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

Audit Report

AUDIT OF THE BUDGET FORMULATION PROCESS

OIG-05-A-09

Status of Recommendations

Recommendation 1: Clarify, in coordination with the Executive Director for Operations, the roles and responsibilities of the Chief Financial Officer and Executive Director for Operations in the budget formulation process.

Agency Response Dated
December 9, 2008:

These recommendations are being addressed as aspects of a revised Management Directive and Handbook 4.7, Planning, Budgeting, and Performance Management (MD 4.7). Publication of MD 4.7 has been delayed because recommendations made by the Advisory Group on Budget Formulation and Financial Plan Reporting on the FY 2011 budget formulation process remain under review by the Chairman's office. Once the FY 2011 budget process is approved by the Chairman, the management directive will be revised accordingly, formatted, and published for comment. MD 4.7 is scheduled to be finalized in July 2009.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives a copy of the final MD 4.7, and determines that it clarifies the roles and responsibilities of the Chief Financial Officer and Executive Director for Operations in the budget formulation process.

Status: Resolved.

Audit Report

AUDIT OF THE BUDGET FORMULATION PROCESS

OIG-05-A-09

Status of Recommendations

Recommendation 2: Document the decision-making process and roles and responsibilities of the Program Review Committee.

Agency Response Dated
December 9, 2008:

These recommendations are being addressed as aspects of a revised Management Directive and Handbook 4.7, Planning, Budgeting, and Performance Management (MD 4.7). Publication of MD 4.7 has been delayed because recommendations made by the Advisory Group on Budget Formulation and Financial Plan Reporting on the FY 2011 budget formulation process remain under review by the Chairman's office. Once the FY 2011 budget process is approved by the Chairman, the management directive will be revised accordingly, formatted, and published for comment. MD 4.7 is scheduled to be finalized in July 2009.

OIG Analysis:

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives a copy of the final MD 4.7, and determines that it documents the decision-making process and roles and responsibilities of the Program Review Committee.

Status:

Resolved.

Audit Report

AUDIT OF THE BUDGET FORMULATION PROCESS

OIG-05-A-09

Status of Recommendations

Recommendation 3: Document the budget formulation process to ensure a logical, comprehensive sequencing of events that provides for obtaining early Commission direction and approval.

Agency Response Dated
December 9, 2008:

These recommendations are being addressed as aspects of a revised Management Directive and Handbook 4.7, Planning, Budgeting, and Performance Management (MD 4.7). Publication of MD 4.7 has been delayed because recommendations made by the Advisory Group on Budget Formulation and Financial Plan Reporting on the FY 2011 budget formulation process remain under review by the Chairman's office. Once the FY 2011 budget process is approved by the Chairman, the management directive will be revised accordingly, formatted, and published for comment. MD 4.7 is scheduled to be finalized in July 2009.

OIG Analysis:

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives a copy of the final MD 4.7, and determines that it documents the budget formulation process to ensure a logical, comprehensive sequencing of events that provides for obtaining early Commission direction and approval.

Status:

Resolved.