



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

OFFICE OF THE
INSPECTOR GENERAL

January 21, 2009

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
DECEMBER 19, 2008

Attached is the Office of the Inspector General's analysis and status of recommendations as discussed in the agency's response dated December 19, 2008. Based on this analysis, recommendations 5 and 6 are closed. Recommendations 1 through 4 remain resolved. Please provide an updated status of these resolved recommendations by July 15, 2009. 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, Team Leader, 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 December 19, 2008: The OCFO has awarded a task order to a contractor to perform an independent assessment of the current labor reporting processes and make recommendations to address this recommendation. The contractor is currently performing the assessment and is meeting with the U.S. Nuclear Regulatory Commission (NRC) stakeholders from the Headquarters Program offices and Regional offices. The assessment is scheduled to be completed in the February/March 2009 timeframe. Subsequently, the OCFO will evaluate the results of the assessment to determine the next steps.

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.

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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
December 19, 2008:

The OCFO has awarded a task order to a contractor to perform an independent assessment of the current labor reporting processes and make recommendations to address this recommendation. The contractor is currently performing the assessment and is meeting with NRC stakeholders from the Headquarters Program offices and Regional offices. The assessment is scheduled to be completed in the February/March 2009 timeframe. Subsequently, the OCFO will evaluate the results of the assessment to determine the next steps

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 developed and implemented to track specific Project Management and Performance objectives.

Status:

Resolved.

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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
December 19, 2008:

The modernization project for the T&L system is back on track and scheduled to be completed by the end of 2009. As part of this modernization, the OCFO plans to incorporate workflow which would allow for electronic signatures. The OCFO has started preliminary meetings with the Office of Human Resources (HR) to discuss the possible elimination of various leave request forms and plans to meet with the National Treasury Employees Union (NTEU) also. It is hoped that the Summary Approval Report, all leave request forms, unit transfer forms, and security request forms can be part of the electronic workflow process.

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 results in the elimination of redundant paper forms.

Status: Resolved.

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Status of Recommendations

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

Agency Response Dated December 19, 2008: The modernization project for the T&L system is back on track and scheduled to be completed by the end of 2009. As part of this modernization, the OCFO plans to incorporate workflow which would allow for electronic signatures. The OCFO has started preliminary meetings with the HR and plans to meet with the NTEU as well.

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.

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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
December 19, 2008:

The OCFO has worked with OIS and NARA and now disagrees with the auditor's recommendation. The recommendation cites 44 USC 3303a(a)(2) as stating that NARA may approve disposition of an agency's temporary records lacking continued value. This section is valid, but more relevant is section 44 USC 3303a(d), which indicates that NARA may issue schedules providing disposition authority for certain temporary records that are maintained by multiple agencies. These are the General Records Schedules (GRS). 44 UCS 3303 needs to be read in its entirety to understand that these records are already scheduled under the GRS and that 3303a(a)(2) does not replace the GRS.

NARA regulations 36 CFR 1228.42 indicate that GRS items are mandatory, unless an agency has received a NARA-approved exception. An exception would be done by the agency, submitting to NARA, a Standard Form (SF)115 providing a justification for amending the GRS disposition specifically for the agency's records. Generally, NARA takes at least six months to approve an SF115, largely because of the public comment process and internal NARA review process required for SF115s. OIS does not believe that the audit report justifies why the NRC needs a unique retention schedule or that the volume of paper justifies the need to destroy these records before the currently approved schedule. There is little cost associated with the current storage arrangements, it would be a resource-intensive effort to get a new schedule approved, and we are planning to go paperless by the end of 2009, so the recommendation will be overcome by events. Moreover, for certain records,

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Status of Recommendations

including those covered by GRS 2 - 10, the agency needs to get Government Accountability Office concurrence for a shortened retention period before NARA can consider approval of the SF115.

OIG Analysis:

The OCFO has coordinated with OIS and NARA and has explored shortening retention requirements for T&L records. OCFO's analysis and conclusion are reasonable. Therefore, this recommendation is closed.

Status:

Closed.

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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 December 19, 2008: The OCFO has started the process of reporting Technical Assignment Code (TAC) activity to the offices and regions on a quarterly basis. Guidance to the agency went out January 14, 2008, and is also sent along with each quarterly TAC Report (see enclosed). The first reports went out for the third quarter of FY 2008 on July 30, 2008. The fourth quarter report for FY 2008 went out on October 9, 2008 (see enclosed sample).

OIG Analysis: OIG received and reviewed the guidance issued by OCFO and the TAC reports for the third and fourth quarters of FY 2008 and determined that the recommendation is satisfied. Therefore, this recommendation is closed.

Status: Closed.