



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

OFFICE OF THE
INSPECTOR GENERAL

March 18, 2009

MEMORANDUM TO: R. William Borchardt
Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S
NON-CAPITALIZED PROPERTY (OIG-07-A-14)

REFERENCE: DIRECTOR, OFFICE OF ADMINISTRATION,
MEMORANDUM DATED FEBRUARY 27, 2009

Attached is the Office of the Inspector General's analysis and status of recommendations 2, 7, and 11 as discussed in the agency's response dated February 27, 2009. Based on this response, recommendation 2 is closed and recommendations 7 and 11 remain in resolved status. Recommendations 1, 3, 4-6, 8-10, and 12 were previously closed. Please provide an updated status of the resolved recommendations by October 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 NRC'S NON-CAPITALIZED PROPERTY

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Status of Recommendations

Recommendation 2: Incorporate property management duties and responsibilities into all property custodian and alternate property custodian performance evaluations.

Agency Response

Dated February 27, 2009: All NRC offices have complied with this recommendation. As of January 9, 2009, the last two offices have reported their compliance with Recommendation 2 (Enclosure 1). The Office of Administration considers this recommendation closed.

OIG Analysis:

OIG reviewed the documentation provided by the Office of Administration and determined that all offices have incorporated property management duties and responsibilities into their property custodian and alternate property custodian performance evaluations. This satisfies OIG's recommendation. Therefore, this recommendation is closed.

Status:

Closed.

Audit Report

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Status of Recommendations

Recommendation 7: Modify Management Directive 13.1, "Property Management," to reference, where applicable, Management Directive 12.5, "NRC Automated Information Security Program," to include procedures for coordinating with OIS regarding missing property that contains or may contain PII.

Agency Response

Dated February 27, 2009: Recommended changes have been incorporated into MD 13.1 and it currently is being reviewed by the ADM staff. NRC Form 395 has been modified to reflect the requirement to report any missing property containing PII to the Computer Security Office (see Enclosure 2). Interim instructions have been provided to all property custodians (see Enclosure 3).

The revisions to MD 13.1 are currently under review by the Office of Administration (ADM). ADM staff assigned responsibility for the MD 13.1 revision were also assigned to higher priority projects (i.e., Church Street and Twinbrook space projects). In addition, additional changes (e.g., treatment of property under \$500 in acquisition cost) were identified during the review of the MD 13.1 revision that required wider coordination to resolve. As a result, the completion of the MD 13.1 revision has been delayed. It is anticipated that the final approval process will be completed by September 30, 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 13.1 and determines that it references, where applicable, MD 12.5 to include procedures for coordinating with OIS regarding missing property that contains or may contain PII.

Status: Resolved.

Audit Report

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Status of Recommendations

Recommendation 11: Collaborate with OIG to modify NRC Management Directive 13.1, "Property Management," to develop a process for notifying the OIG Assistant Inspector General for Investigations of all reports (i.e., Form 395s) of missing sensitive property (regardless of value) and missing non-sensitive property with a current value of at least \$1,000.

Agency Response

Dated February 27, 2009: ADM has collaborated with Joseph McMillan, Assistant Inspector General for Investigations, and has agreed to forward all NRC Form 395s for missing sensitive property (regardless of value) and missing non-sensitive property with a current value of at least \$1,000. The notification process has been incorporated into the pending revision of MD 13.1 currently being reviewed by the ADM staff. See the status for Recommendation 7 for an update on the revision of MD 13.1. All NRC Form 395s for property meeting the recommended criteria have been forwarded to Joseph McMillan (ML090500305), Assistant Inspector General for Investigations. ADM expects to have this recommendation completed by September 30, 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 13.1, and verifies that it contains an effective process for notifying OIG of all reports of missing sensitive property (regardless of value) and missing non-sensitive property with a current value of at least \$1,000.

Status: Resolved.