



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

OFFICE OF THE
INSPECTOR GENERAL

January 8, 2010

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
WAREHOUSE OPERATIONS (OIG-09-A-09)

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

Attached is the Office of the Inspector General's analysis and status of recommendations 2, 4, 5, 6, and 9 as discussed in the agency's response dated November 27, 2009, and a supplementary response on December 30, 2009. Based on these responses, recommendations 4, 5, 6, and 9 are closed and recommendation 2 remains in resolved status. Recommendations 1, 3, 7, and 8 were previously closed. Please provide an updated status of the resolved recommendation by August 31, 2010.

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: N. Mamish, OEDO
J. Andersen, OEDO
J. Arildsen, OEDO
C. Jaegers, OEDO

Audit Report

AUDIT OF NRC'S WAREHOUSE OPERATIONS

OIG-09-A-09

Status of Recommendations

Recommendation 2: Conduct the required security survey of the NRC annex.

Agency Response Dated
November 27, 2009:

The Federal Protective Service (FPS) Area Commander recently advised the Division of Facilities and Security that due to increased demand for FPS services, the estimated date for the next Building Security Assessment of the property has been delayed by 10 months and is now rescheduled to be completed in June 2010.

Target Completion Date: July 30, 2010

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 security survey of the NRC annex.

Status:

Resolved.

Audit Report

AUDIT OF NRC'S WAREHOUSE OPERATIONS

OIG-09-A-09

Status of Recommendations

<u>Recommendation 4:</u>	Maintain the agency's dBase III system application until location information for all agency property stored in the warehouses is reflected in SPMS.
Agency Response Dated November 27, 2009:	The warehouse locator data contained in the dBase III warehouse locator application has been transferred to SPMS. The dBase III warehouse locator application is no longer in use (see Enclosure 1 for a copy of the subject items in SPMS). The Office of Administration (ADM) considers this action closed.
OIG Analysis:	OIG reviewed the documentation provided by ADM. Warehouse location information for agency property has been transferred from the dBase III system application to SPMS, and the dBase III system application has been discontinued. This satisfies the recommendation. Therefore, this recommendation is closed.
Status:	Closed.

Audit Report

AUDIT OF NRC'S WAREHOUSE OPERATIONS

OIG-09-A-09

Status of Recommendations

Recommendation 5: Use only SPMS to identify property locations in the warehouses.

Agency Responses Dated
November 27, 2009,
and December 30, 2009:

All furniture and equipment stock location data has been transferred to SPMS. Enclosed are two SPMS printouts of the current furniture and equipment stock accounts (Enclosure 1). ADM considers this action closed.

ADM only uses SPMS to identify property locations in the warehouses. For both warehouses this includes location information for all sensitive warehouse property regardless of cost and for non-sensitive warehouse property that is greater than or equal to \$1,000.

OIG Analysis: ADM only uses SPMS to identify property locations in the warehouses. This satisfies the recommendation. Therefore, this recommendation is closed.

Status: Closed.

Audit Report

AUDIT OF NRC'S WAREHOUSE OPERATIONS

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Status of Recommendations

Recommendation 6: Develop and implement a procedure for timely and accurate recording of property movements.

Agency Response Dated
November 27, 2009: The procedure for timely and accurate recording of property movements is provided in Enclosure 2. The ADM staff responsible for property movements has been provided with refresher training on these procedures. ADM considers this action closed.

OIG Analysis: OIG reviewed ADM's procedural documentation for timely and accurate recording of property movements and determined that it satisfies the recommendation. Therefore, this recommendation is closed.

Status: Closed.

Audit Report

AUDIT OF NRC'S WAREHOUSE OPERATIONS

OIG-09-A-09

Status of Recommendations

Recommendation 9: Modify the security cage and/or the placement of storage racks in the main NRC warehouse to prevent easy access to sensitive property stored inside the security cage.

Agency Response Dated November 27, 2009: ADM engaged a contractor to enclose the top of the cage by extending the sides to the warehouse ceiling. The work was completed September 30, 2009. See Enclosure 3 for pictures of the modification. ADM considers this action closed.

OIG Analysis: OIG reviewed pictures provided by ADM of the construction modification to the security cage in the main NRC warehouse. OIG also visited the warehouse and verified that these modifications prevent easy access to sensitive property stored inside the security cage. This satisfies the recommendation. Therefore, this recommendation is closed.

Status: Closed.