

October 21, 2010

MEMORANDUM TO: Stephen D. Dingbaum
Assistant Inspector General for Audits

FROM: J. E. Dyer /RA/
Chief Financial Officer

SUBJECT: STATUS OF RECOMMENDATION: AUDIT OF THE BUDGET
FORMULATION PROCESS (OIG-05-A-09)

The status of our response to Recommendations 1, 2 and 3 is provided as requested in your March 9, 2010, memorandum titled, "*STATUS OF RECOMMENDATION: AUDIT OF THE BUDGET FORMULATION PROCESS (OIG-05-A-09)*." The status of Recommendations 1, 2 and 3 remain resolved.

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.

Recommendation 2

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

Recommendation 3

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

Status

As indicated previously, the recommendations are being addressed as part of the revision to Management Directive (MD) and Handbook 4.7, "*NRC Long Range Planning, Programming and Budget Formulation*." We have decided to modify our approach to the replacement of the MD and Handbook in order to improve policy communication, organization and achieve agency

CONTACT: Anthony C. Rossi, OCFO/DPB
301-415-7341

consensus on the policies covered. We will replace it with three separate MDs: “*Strategic Planning Process*” (new); “*Budget Formulation*” (MD 4.7); and, “*Performance Management*” (new). Additionally, the Chairman has provided new direction to the staff for the FY 2012 budget development process which is nearing completion. The three recommendations will be addressed in the revised MD 4.7, “*Budget Formulation*.” Currently, the revision to MD 4.7 is on hold due to consultation with the Chairman.

cc: M. Brown, DCFO
R. Mitchell, OCFO/DPB
N. L. Mamish, OEDO
J. Arildsen, OEDO

consensus on the policies covered. We will replace it with three separate MDs: “*Strategic Planning Process*” (new); “*Budget Formulation*” (MD 4.7); and, “*Performance Management*” (new). Additionally, the Chairman has provided new direction to the staff for the FY 2012 budget development process which is nearing completion. The three recommendations will be addressed in the revised MD 4.7, “*Budget Formulation*.” Currently, the revision to MD 4.7 is on hold due to consultation with the Chairman.

cc: M. Brown, DCFO
 R. Mitchell, OCFO/DPB
 N. L. Mamish, OEDO
 J. Arildsen, OEDO

DOCUMENT NAME: G:\DPB\DPBA\OIG\2010 Oct Status Memo on OIG-05-A-09 v3.docx

ADAMS ☒ Yes ☐ No Initials
☒ Publicly Available ☐ Non-Publicly Available ☒ Sensitive ☐ Non-Sensitive

To receive a copy of this document, indicate in the box: "C" = Copy without attachment/enclosure "E" = Copy with attachment/enclosure "N" = No copy * See previous concurrence

ADAMS Accession No.:ML1029504720

OFFICE	OCFO/DPB	E	OCFO/DPB	E	DCFO	E	CFO	E
NAME	ARossi		RWMitchell		MBrown		JEDyer /RA/	
DATE	10/20/10		10/21/10		10/20/10		10/21/10	

OFFICIAL RECORD ONLY