Office of International Programs
Financial Management
Internal Control Plan
Fiscal Year 2012

Introduction: The Office of International Programs (OIP) provides assistance and recommendations to the Chairman, the Commission, and the U.S. Nuclear Regulatory Commission (NRC) staff on international issues. In addition, OIP serves as the lead office for:

- Providing overall coordination for NRC's international activities.
- Planning, developing and implementing programs in concert with other NRC offices to carry out policies in the international area, including export and import licensing responsibilities.
- Establishing and maintaining working relationships with individual and international nuclear organizations as well as other involved U.S. Government agencies.

Internal Control Plan: To provide a systematic, ongoing approach to the identification and mitigation of program risks that impact achievement of international activities. An Internal Control Plan (ICP) serves as a means to monitor, evaluate, analyze and continuously improve financial management to ensure that:

- Programs are achieving their intended results.
- Resources are being used consistently with the agency's mission.
- Programs and resources are protected from waste, fraud, and mismanagement.
- Laws and regulations are followed.
- Reliable and timely information is obtained, maintained, reported, and used for sound decision-making.

<u>OIP uses a number of sources to identify risks that include</u>:

- Management knowledge gained from the daily operation and oversight of office programs, administrative activities and systems.
- Management reviews of Operating Plans, resource utilization, contract activities and contract performance.
- Reports issued by the Government Accounting Office (GAO), Office of the Inspector General (OIG), and other financial reports issued by the NRC Office of the Chief Financial Officer (OCFO).
- Ongoing interactions with stakeholders, both international and other U.S. Government Federal agencies.
- Ongoing meetings with NRC staff that include, but are not limited to: Chairman and Commission meetings; counterpart office director/deputy director meetings with program offices; International Council Working Group (ICWG); the OCFO; program direction/budget meetings with program offices; and, Technical Assistant (TA) briefings with staff representing the Chairman, Commission, and the Executive Director for Operations (EDO).
- Exchange of Senior Performance Official (SPO) reports with other program offices.
- Review of internal controls, at least annually, to support the annual OIP reasonable assurance statement.

Accessible Manager/Unit: The ICP is a living document that will be updated as needed, or at least annually. With the OIP staff comprised of about 39 permanent full-time (FTE) staff members, approximately 4 other than permanent full-time staff (OPFT) (i.e., temporary employees), and an annual budget of about $6.4 million in Fiscal Year (FY) 2011, FY 2012 and FY 2013, one Assessable Unit Manager is sufficient to oversee the OIP internal controls for one assessable unit. Currently, this responsibility is assumed by the Chief, International Operations Branch (IOB). In addition, there is also an ICP Coordinator (IOB Senior Program Analyst) with a backup (IOB Management Analyst). In early FY 2011, the ICP Coordinator attended a one-day Internal Controls Workshop sponsored by Management Concepts, Inc.

Programs, Projects and Activities: OIP consists of three branches that include the:

1. International Cooperation and Assistance Branch (ICAB) is responsible for coordination with foreign counterparts and developing countries; support to assistance efforts; preparation and coordination of Arrangements for Technical Cooperation with foreign governmental entities; support for meetings between travel with the Chairman and the Commissioners and their international counterparts; coordination with program offices; preparation of briefing materials and country information; and, exchange of classified and safeguards information with other countries.

2. Export Controls and International Organizations Branch (ECIOB) is responsible for import/export licensing and all associated 10 CFR Part 110 rulemaking activities; international safeguards policy development and issue tracking; coordinating with the International Atomic Energy Agency (IAEA) and the Nuclear Energy Agency (NEA), including screening requests from these international agencies to ensure the NRC is appropriately represented at these agencies; and, reviewing IAEA/NEA documents to ensure NRC's views are appropriately considered before the documents are finalized.

3. International Operations Branch (IOB) is responsible for budget planning, formulation and execution; contract management; human resources management; Freedom of Information Acts (FOIA), space management; information technology; knowledge and space management; document processing and control; international travel planning and support; foreign assignees; maintaining and tracking of arrangements; visa and passport processing; collection, analysis and creation of information products related to NRC's international activities; support to foreign training program; staff training; and, other general administrative functions.

Identifying Potential Risks: In the spring of 2011, the OIP leadership/management completed the annual internal control assessment of all OIP programs, projects, and activities. Using as guidance the OCFO issued "Attachment A – Checklist for Identifying Potential Risks," OIP reviewed and completed all sections that included the office control environment, risk assessment, control activities, information and communication, and monitoring. After careful consideration of all these sections, there were no risks areas found.

Reasonable Assurance Certification: To support our assessment findings, the OCFO issued "Attachment F – Reasonable Certification Assurance Certification Justification" has been updated, and will be reviewed again, prior to submission to the OCFO in early October, usually no later than October 4th.

Changes in Fiscal Year 2011/2012: In late FY 2011 or early FY 2012, OIP will implement a Qualifications Plan that includes specific classroom training and reading assignments to

facilitate financial management staff to develop and gain an understanding, and thorough knowledge of, to effectively and efficiently perform duties that involve purchase card, budget duties and project management **(Attachment).**

Supervisors and employees will meet to discuss these requirements and periodically meet to ensure all training and reading materials are completed.

Attachment

Financial Management: Purchase Card Holders, Budgeting and Project Managers

The following training and management directives should be completed by staff to develop an understanding, and thorough knowledge of, to effectively and efficiently perform financial management duties that involve purchase card, budget duties and project management.

REQUIRED TRAINING AND READING	Purchase Card (Holders & Approvers)[1]	Budgeting (Staff and Managers)	Project Managers (Staff & Supervisors) [1]
Part I - Required Training (Workshops Offered by the PDC or Web-based)			
Purchase Card Training (Web-based)	X		
Financial Management Seminar (Workshop)	X	X [2]	X
Administrative Control of Funds (Workshop)	X	X [2]	X
Acquisition Management (Workshops)			
#1 "Acquisition Overview for Project Managers"			X
#2 "Independent Government Cost Estimates" (IGCE)			X
#3 "Developing Proposal Evaluation Factors"			X
#4 "Source Evaluation Panel Procedures" (SEP)			X
#5 "Negotiation of Project Terms & Conditions"			X
#6 "Contract Administration"			
#9 "Organizational Conflicts of Interests"			X
#10 "Performance-Based Statements of Work" (SOW)			X
#11 "Acquisition for Supervisors & Managers of Project Mangers." (Web-based) Only for Supervisors and Managers			X
#12 "Interagency Agreements (IA) with DOE Laboratories and Other Federal Agencies"			X [3]
Market Research (Web-based)			X
Note: When all acquisition management workshops and the market research web-based training are completed, Project Managers are also required to complete 40 hours of additional training over a 2-year period. Of these 40 hours, 20 hours must be specifically related to acquisition management (includes a 3-hour web-based refresher course). The other 20 hours may be related to employee's position.			X

Part II - Required Reading - Management Directives (MD)			
MD 4.2 "Administrative Control of Funds"	X	X	X
MD 4.4 "Management Controls"	X	X	X
MD 5.4 "Official Representation Funds" (ORF)		X	X [4]
MD 11.1 "NRC Acquisition of Supplies & Services"	X		X
MD 11.4 "NRC Small & Disadvantaged Business Program"	X		X
MD 11.7 "NRC Procedures for Placement & Monitoring of Work with the U.S. Department of Energy (DOE)"			X [3]
MD 11.8 "NRC Procedures for Placement & Monitoring work with Other Federal Agencies Other than DOE"			X

[1] Purchase Card holders and approvers must take web-based training before a purchase card is issued. Project Managers must take all workshops and web-based training to receive certification.

[2] Budgeting includes duties in budget planning, formulating and/or executing.

[3] Required only if a Project Manager for DOE contracts.

[4] Required only if duties include dealing with official representation funds.

Check one or more of the below functions performed by the employee.

Credit Card Holder_____ Budgeting _____ Project Manager _____

Employee _____ Supervisor _____ Date _____