



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

**OFFICE OF THE
INSPECTOR GENERAL**

August 8, 2011

MEMORANDUM TO: R. William Borchardt
Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATIONS: GOVERNMENT
PERFORMANCE AND RESULTS ACT: REVIEW OF
FY 1999 PERFORMANCE REPORT (OIG-01-A-03)

REFERENCE: CHIEF FINANCIAL OFFICER MEMORANDUM DATED
JULY 12, 2011

Attached is the Office of the Inspector General's analysis and status of recommendations as discussed in the agency's response dated July 12, 2011. Recommendations 1 and 3 remain resolved. Recommendation 2 was closed previously. Please provide an updated status of the resolved recommendations by October 31, 2011.

If you have any questions or concerns, please contact me at 415-5915 or Kathleen Stetson, Team Leader, at 415-8175.

Attachments: As stated

cc: N. Mamish, OEDO
J. Andersen, OEDO
J. Arildsen, OEDO
C. Jaegers, OEDO
J. Dyer, OCFO

Audit Report

GOVERNMENT PERFORMANCE AND RESULTS ACT: REVIEW OF FY 1999 PERFORMANCE REPORT

OIG-01-A-03

Status of Recommendations

Recommendation 1:

Develop an NRC Management Directive to provide the management controls needed to ensure that NRC produces credible GPRA documents.

Agency Response
Dated July 12, 2011:

As previously indicated, 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 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).

Responsibility for performance management and GPRA related activities was transferred to the OEDO, as approved by Chairman Jaczko, on March 18, 2011 (ML11080A042, enclosure). This transfer of duties would also transfer the planned MD on *"Performance Management"* to the OEDO. OCFO maintains responsibility for MD 4.4, *"Management Controls,"* which is currently being revised and re-titled, *"Internal Control,"* and is currently with the OEDO for concurrence. MD 4.4 establishes and assigns responsibility for controls and assurances over NRC programs and processes. Currently, the revision to MD 4.7 is on hold due to consultation with the Chairman.

OIG Analysis:

The proposed corrective action addresses the intent of OIG's recommendation. OIG acknowledges that the responsibility for performance management and GPRA related activities and the planned MD on *Performance Management* were transferred to the OEDO. This recommendation will be closed when OIG receives a copy of the final relevant management directives that include management controls needed to ensure that NRC produces credible GPRA documents.

Status:

Resolved.

Audit Report

GOVERNMENT PERFORMANCE AND RESULTS ACT: REVIEW OF FY 1999 PERFORMANCE REPORT

OIG-01-A-03

Status of Recommendations

<u>Recommendation 3:</u>	Include guidance on reporting unmet goals in both the Management Directive and the interim policy guidance on implementing GPRA initiatives.
Agency Response Dated July 12, 2011:	<p>As previously indicated, the recommendations are being addressed as part of the revision to Management Directive (MD) and Handbook 4.7, <i>"NRC Long Range Planning, Programming and Budget Formulation."</i> 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 consensus on the policies covered. We will replace it with three separate MDs: <i>"Strategic Planning Process"</i> (new); <i>"Budget Formulation"</i> (MD 4.7); and, <i>"Performance Management"</i> (new).</p> <p>Responsibility for performance management and GPRA related activities was transferred to the OEDO, as approved by Chairman Jaczko, on March 18, 2011 (ML11080A042, enclosure). This transfer of duties would also transfer the planned MD on <i>"Performance Management"</i> to the OEDO. OCFO maintains responsibility for MD 4.4, <i>"Management Controls,"</i> which is currently being revised and re-titled, <i>"Internal Control,"</i> and is currently with the OEDO for concurrence. MD 4.4 establishes and assigns responsibility for controls and assurances over NRC programs and processes. Currently, the revision to MD 4.7 is on hold due to consultation with the Chairman.</p>
OIG Analysis:	The proposed corrective action addresses the intent of OIG's recommendation. OIG acknowledges that the responsibility for performance management and GPRA related activities and the planned MD on <i>Performance Management</i> were transferred to the OEDO. This recommendation will be closed when OIG receives a copy of the final relevant management directives that include guidance on reporting unmet goals relative to implementation of GPRA initiatives.
Status:	Resolved.

Document Location: G:/Audit/01-A-03/Follow-up/OIG response to agency response dated 07.12.11.doc

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