

December 6, 2012

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

FROM: Mark Shaffer, Acting Director /RA/  
Office of International Programs

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF THE U.S.  
NUCLEAR REGULATORY COMMISSION'S MANAGEMENT OF  
IMPORT/EXPORT AUTHORIZATIONS (OIG-12-A-13) (EDATS:  
OEDO-2012-0366) (G2010722)

This responds to the September 24, 2012, memorandum requesting an updated status on the resolved recommendations 1, 3, 4 and 5. Recommendations 2, 6, and 7 were previously closed. With respect to your specific recommendations, I submit the following:

**Recommendation 1**

Develop, document, and implement a systematic biennial fee review process.

**Status**

The Office of International Programs (OIP) drafted OIP Office Procedure LIC-05 – Biennial Fee Assessment Procedure, Revision 0 which establishes the standards for administrative and technical evaluation, as well as to outline staff responsibilities, for analysis and assessment of fees associated with Title 10 of the *Code of Federal Regulations* (10 CFR) Part 110 export/import license applications. OIP is incorporating recommendations made by the Office of the Inspector General (OIG) which will be resubmitted for OIG review when completed as Revision 1.

Target Completion Date: April 20, 2013.

**Recommendation 3**

Develop one or more export/import licensing-related performance evaluation metric(s) related to revenue reconciliation.

**Response**

OIP expanded the Operation Plan to include a metric that is updated quarterly, that is related to export/import licensing revenue reconciliation based on reports independently verified by the Office of the Chief Financial Officer (OCFO) (Enclosed).

Target completion date: Complete.

**Recommendation 4**

Develop policies and procedures related to fee revenue which include effective internal control. Specifically:

- Separation of duties related to fee revenue handling.
- Monthly reconciliations of receipts to deposits.
- Routine management review of fee revenue reconciliations.

**Response**

OIP in collaboration with OCFO has implemented revised fee revenue management procedures, which incorporates the noted internal control aspects. OIP is updating Appendix P and Non-Appendix P Licensing Procedures to reflect these changes in accordance with the OIP Procedure Management Program.

Target completion date: April 20, 2013.

**Recommendation 5**

Review and reconcile prior fee revenue receipts to licensing actions completed for which a fee was owed from 2008 – 2011 to verify that all revenue for export/import licenses has been collected and deposited.

**Response**

OIP, in coordination with OCFO, has started the process to identify the payments received from 2008-2011 using MATU reports and will use that information to reconcile with completed licensing actions. This cross-check exercise will pinpoint licensing actions completed during that timeframe in which payment was not received and/or processed. OCFO will then communicate with the undercharged licensees to retroactively collect payment.

Target completion date: April 20, 2013.

Please contact Brooke G. Smith off my staff if you have any questions. She may be reached at 301-415-2347 or via e-mail to [brooke.smith@nrc.gov](mailto:brooke.smith@nrc.gov).

Enclosure:

1. Office of International Programs FY 2013  
Operation Plan – 1<sup>st</sup> Quarter – Appendix A.  
Performance Plan Output Measure  
Export/Import Licensing

cc: See next page

cc:

Chairman McFarlane

Commissioner Svinicki

Commissioner Apostolakis

Commissioner Magwood

Commissioner Ostendorff

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