



OFFICE OF THE
INSPECTOR GENERAL

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

January 30, 2013

MEMORANDUM TO: R. William Borchardt
Executive Director for Operations

J. E. Dyer
Chief Financial Officer

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

SUBJECT: REVIEW OF NRC'S IMPLEMENTATION OF THE FEDERAL
MANAGERS FINANCIAL INTEGRITY ACT FOR FISCAL
YEAR 2012 (OIG-13-A-10)

This report reflects the Office of the Inspector General's assessment of the Nuclear Regulatory Commission's (NRC) fiscal year (FY) 2012 compliance with the Federal Managers Financial Integrity Act of 1982 (FMFIA). We found that NRC complied with the FMFIA requirements.

BACKGROUND

The FMFIA, enacted on September 8, 1982, requires ongoing evaluations and reports of the adequacy of the systems of internal accounting and administrative control of each executive agency. Further, the FMFIA requires that, each year, the head of each executive agency report to the President and the Congress on their agency's compliance with the FMFIA requirements.

Effective beginning with FY 2006, Office of Management and Budget (OMB) Circular No. A-123, *Management's Responsibility for Internal Control*, revised December 2004, requires agencies to include the annual FMFIA report as part of the Performance and Accountability Report under the heading "Management Assurances." Additionally, this circular requires management to provide a separate assurance statement relating to the effectiveness of internal control over financial reporting.

RESULTS

In the agency's FY 2012 Performance and Accountability Report, the NRC Chairman provided reasonable assurance that internal control over operations, compliance with laws and regulations, and internal control over financial reporting were operating effectively and no material weaknesses were found. The Inspector General concurs with the assurances made and found that NRC complied with the FMFIA requirements.

AGENCY COMMENTS

A draft report was provided to the Executive Director for Operations and the Chief Financial Officer for comment. No comments were provided on the report (see attachment 1).

SCOPE/CONTRIBUTORS

We evaluated the internal controls related to NRC's implementation of the FMFIA for FY 2012, and conducted our work at NRC Headquarters during December 2012, in accordance with generally accepted Government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This audit was conducted by Kathleen Stetson, Team Leader; Eric Rivera, Team Leader; and Gail F.P. Butler, Senior Analyst.

If you have any questions, please contact me at 415-5915 or Eric Rivera, Team Leader, at 415-7032.

cc: Chairman Macfarlane
Commissioner Svinicki
Commissioner Apostolakis
Commissioner Magwood
Commissioner Ostendorff
N. Mamish, OEDO
K. Brock, OEDO
J. Arildsen, OEDO
C. Jaegers, OEDO



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

January 15, 2013

CHIEF FINANCIAL
OFFICER

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

FROM: J. E. Dyer *J. Dyer*
Chief Financial Officer

SUBJECT: AUDIT ON THE U.S. NUCLEAR REGULATORY COMMISSION'S
IMPLEMENTATION OF THE FEDERAL MANAGERS' FINANCIAL
INTEGRITY ACT FOR FISCAL YEAR 2012

We appreciate the collaborative relationship between the Office of the Inspector General, the Office of the Executive Director for Operations, and the Office of the Chief Financial Officer in supporting our continuing effort to improve financial reporting. We have reviewed the Audit Report on the U.S. Nuclear Regulatory Commission's Implementation of the Federal Managers' Financial Integrity Act for Fiscal Year 2012 and are in agreement with the report.

cc: N. Mamish, AO/OEDO
J. Arildsen, OEDO
K. Brock, OEDO
C. Jaegers, OEDO