



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

**OFFICE OF THE  
INSPECTOR GENERAL**

June 20, 2013

**MEMORANDUM TO:** R. William Borchardt  
Executive Director for Operations

Nader L. Mamish, Director  
Office of International Programs

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

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

**REFERENCE:** DIRECTOR, OFFICE OF INTERNATIONAL PROGRAMS,  
MEMORANDUM DATED MAY 20, 2013

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations 1, 4, and 5 as discussed in the agency's response dated May 20, 2013. Based on this response, recommendations 1 and 4 are closed and recommendation 5 remains in resolved status. Recommendations 2, 3, 6, and 7 were previously closed. Please provide an updated status on the resolved recommendation by May 30, 2014.

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

Attachment: As stated

cc: R. Mitchell, OEDO  
K. Brock, OEDO  
J. Arildsen, OEDO  
C. Jaegers, OEDO

## Audit Report

### AUDIT OF THE U.S. NUCLEAR REGULATORY COMMISSION'S MANAGEMENT OF IMPORT/EXPORT AUTHORIZATIONS

OIG-12-A-13

#### Status of Recommendations

Recommendation 1: Develop, document, and implement a systematic biennial fee review process.

Agency Response Dated  
May 20, 2013:

The Office of International Programs (OIP) drafted OIP Office Procedure LIC-05 – Biennial Fee Assessment Procedure, Revision 1 (ML13133A296) which establishes the standards for administrative and technical evaluation, as well as to outline staff responsibilities, for analysis and assessment of fees associated with 10 CFR Part 110 export/import license applications. OIP addressed recommendations made by the Office of the Inspector General (OIG) to LIC-05 as Revision 1.

Target Completion Date: Completed.

OIG Analysis:

OIG reviewed the final version of OIP Office Procedure LIC-05, Revision 1. OIG determined that the Office Procedure meets the intent of the recommendation to develop, document, and implement a systematic biennial fee review process. This recommendation is therefore considered closed.

**Status:**

Closed.

## Audit Report

### AUDIT OF THE U.S. NUCLEAR REGULATORY COMMISSION'S MANAGEMENT OF IMPORT/EXPORT AUTHORIZATIONS

OIG-12-A-13

#### Status of Recommendations

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.

Agency Response Dated  
May 20, 2013:

OIP, in collaboration with the Office of the Chief [Financial] Officer (OCFO), has clarified fee revenue management procedures for import/export licensing actions which incorporate the noted internal control aspects. OIP has updated OIP Office Procedure LIC-01 - Appendix P to 10 CFR Part 110 Export Licensing (ML112770294) and OIP Office Procedure LIC-02 - Non-Appendix P Licensing Procedures (ML112650667) to reflect these changes in accordance with the OIP Procedure Management Program.

Target Completion Date: Completed.

OIG Analysis: OIG reviewed the final versions of OIP Office Procedure LIC-01 and OIP Office Procedure LIC-02. OIG determined that the office procedures meet the intent of the recommendation to develop policies and procedures related to fee revenue that include effective internal controls. This recommendation is therefore considered closed.

**Status:** Closed.

## Audit Report

### AUDIT OF THE U.S. NUCLEAR REGULATORY COMMISSION'S MANAGEMENT OF IMPORT/EXPORT AUTHORIZATIONS

OIG-12-A-13

#### Status of Recommendations

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 import/export licenses has been collected and deposited.

Agency Response Dated  
May 20, 2013:

OIP, in coordination with OCFO, has identified cases from 2008-2011, which will require further review to determine whether the fee was appropriately processed. This cross-check exercise is still in process. Once it is completed, OCFO will then communicate with the undercharged licensees to retroactively collect payment.

Target Completion Date: May 20, 2014.

OIG Analysis:

The proposed action meets the intent of the recommendation. OIG staff met with OIP and OCFO officials and agreed that OIP and OCFO will report on progress in resolving this issue on a monthly basis via email to OIG. OIG will close this recommendation when the agency provides a copy of the results of the review and a reconciliation showing that all revenue for import/export licenses was collected and deposited for the period 2008 – 2011.

**Status:**

Resolved.

