



OFFICE OF THE
INSPECTOR GENERAL

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

February 10, 2015

MEMORANDUM TO: Mark A. Satorius
Executive Director for Operations

Maureen E. Wylie
Chief Financial Officer

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

SUBJECT: AUDIT OF NRC'S IMPLEMENTATION OF THE FEDERAL
MANAGERS' FINANCIAL INTEGRITY ACT FOR FISCAL
YEAR 2014 (OIG-15-A-07)

The Office of the Inspector General (OIG) conducted this audit to assess the Nuclear Regulatory Commission's (NRC) fiscal year (FY) 2014 compliance with the *Federal Managers' Financial Integrity Act of 1982* (FMFIA). OIG 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.

OBJECTIVE

The audit objective is to assess the NRC's FY 2014 compliance with the FMFIA.

FINDING

In the agency's FY 2014 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

The Executive Director for Operations and the Chief Financial Officer reviewed the OIG draft report and had no comments.

SCOPE AND METHODOLOGY

We audited the internal controls related to NRC's implementation of the FMFIA for FY 2014, and conducted our work during November 2014 through January 2015, 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. Throughout the audit, auditors were aware of the possibility of fraud, waste, or abuse in the program. This audit was conducted by Eric Rivera, Team Leader; Terri Cooper, Audit Manager; and Gail F.P. Butler, Senior Auditor.

TO REPORT FRAUD, WASTE, OR ABUSE

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COMMENTS AND SUGGESTIONS

If you wish to provide comments on this report, please email OIG using this [link](#).

In addition, if you have suggestions for future OIG audits, please provide them using this [link](#).