

October 19, 2015

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

FROM: Maureen E. Wylie */RA/*
Chief Financial Officer

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NUCLEAR
REGULATORY COMMISSION'S PROCESS FOR CALCULATING
LICENSE FEES (OIG-13-A-02)

This is a status update in response to the Office of the Inspector General's Audit Report, "Audit of NRC's Process for Calculating License Fees" (OIG-13-A-02) dated October 24, 2012.

Recommendation 1

The Office of the Chief Financial Officer (OCFO) should prepare and document an annual Fee Rule validation on the hourly rate (budget vs. cost analysis) and make adjustments as needed to the fee calculation process.

Status

Agree. OCFO plans to execute the validation of the hourly rate by the end of quarter two of Fiscal Year (FY) 2016. The revised key milestones for this recommendation are listed on the next page. OCFO, Division of Planning and Budget (DPB) successfully accomplished the first key milestone of understanding the previous methodology use to validate the hourly rate for the Fee Rule. In addition, OCFO has completed the second milestone, development of the Fees Validation Report (Report). Specifically, DPB performed the following procedures (milestones one and two):

- Conducted interviews and meetings with key agency staff responsible for calculating license fees from FY 2009 to present.
- Performed a detailed review of the procedures and corresponding spreadsheets for FY 2009 budget vs. cost analysis validation.
- Reviewed and analyzed the origin of the cost accounting data in the hourly validation analysis conducted prior to the implementation of Financial Accounting and Integrated Management Information System (FAIMIS).
- DPB collaborated with Financial System staff to evaluate data from the previous cost accounting system and developed a Report from FAIMIS. The Report is currently in the user acceptance testing (UAT) phase.

CONTACT: Michele D. Kaplan, OCFO/DPB
(301) 415-5256

For the third milestone, once the Report has completed UAT, OCFO will perform the analysis. After that, for the fourth and final milestone, OCFO will document the new procedures for long term implementation of this recommendation.

KEY MILESTONES

DATE

- | | |
|---|----------------|
| 1. Understanding previous methodology | January 2015 |
| 2. Coordinating with FAIMIS staff to create necessary reports | September 2015 |
| 3. Create and perform analysis | December 2015 |
| 4. Document process for annual validation | March 2016 |

cc: S. Zane, OIG
J. Gordon, OIG
F. Brown, OEDO
C. Santos, OEDO
J. Arildsen, OEDO
H. Rasouli, OEDO

For the third milestone, once the Report has completed UAT, OCFO will perform the analysis. After that, for the fourth and final milestone, OCFO will document the new procedures for long term implementation of this recommendation.

KEY MILESTONESDATE

- | | |
|---|----------------|
| 1. Understanding previous methodology | January 2015 |
| 2. Coordinating with FAIMIS staff to create necessary reports | September 2015 |
| 3. Create and perform analysis | December 2015 |
| 4. Document process for annual validation | March 2016 |

cc: S. Zane, OIG
 J. Gordon, OIG
 F. Brown, OEDO
 C. Santos, OEDO
 J. Arildsen, OEDO
 H. Rasouli, OEDO

DISTRIBUTION: EDATS: CFO-2015-0265

EDO_ACS Distribution
 OCFO/DPB
 OCFO
 OEDO

ADAMS Yes No
 Publicly Available

SUNSI Review/Initials MK
 Non-Publicly Available Sensitive Non-Sensitive

ADAMS ACCESSION NO.: ML15278A205

OCFO-009

OFFICE	OCFO/DPB/LFT	OCFO/DPB	OCFO/DPB
NAME	MDKaplan	RAllwein	TGrancorvitz
DATE	10/13/15	10/15/15	10/16/15
OFFICE	DCFO	CFO	
NAME	MCMuessle	MEWylie	
DATE	10/19/15	10/19/15	

OFFICIAL RECORD COPY