November 16, 2015

MEMORANDUM TO: Victor McCree
                   Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S
                   INFORMATION TECHNOLOGY PROCUREMENT
                   PROCESS (OIG-15-A-09)

REFERENCE: DIRECTOR, OFFICE OF INFORMATION SERVICES
                   MEMORANDUM DATED OCTOBER 30, 2015

Attached is the Office of the Inspector General's (OIG) analysis and status of
recommendations 1 and 2 as discussed in the agency's response dated
October 30, 2015. Based on this response, recommendations 1 and 2 remain resolved.
Please provide an updated status of all recommendations by May 27, 2016. If you have
questions or concerns, please call me at 415-5915, or Beth Serepca, Team Leader, at
415-5911.

Attachment: As stated

cc: J. Flanagan, OIS
        F. Brown, OEDO
        J. Jolicouer, OEDO
        B. Pham, OEDO
        J. Arildsen, OEDO
        EDO_ACS Distribution Resource

Audit Report

**AUDIT OF NRC'S INFORMATION
TECHNOLOGY PROCUREMENT PROCESS
OIG-15-A-09**

Status of Recommendations

Recommendation 1:   Develop and implement selection criteria for use by the ITB
                           and other IT governance groups in reviewing IT procurement
                           proposals.

Agency Response Dated
October 30, 2015:   On September 28, 2015, the CIO approved a revision to the
                           Capital Planning and Investment Control Policy and Process
                           Overview (ML15247A497) that included criteria to be used to
                           determine the IT investments, projects, and activities that best
                           support the NRC mission and current business needs.

                           Implementation of the select criteria for use in reviewing IT
                           acquisitions has been delayed due to new requirements being
                           placed on IT procurements by the Office of Management and
                           Budget (OMB). On June 10, 2015, OMB issued Memorandum
                           M-15-14, "Management and Oversight of Federal Information
                           Technology," which provides guidance on implementing the
                           Federal Information Technology Acquisition Reform Act
                           (FITARA). The new requirements require updating the
                           existing selection criteria to reflect the changes.

                           Memorandum M-15-14 required the Agency to submit to
                           OMB an initial self-assessment of agency FITARA
                           implementation and a plan to complete implementation by
                           December 31, 2015. On October 14, 2015, OMB provided
                           their initial feedback on the submitted self-assessment and
                           implementation plan. OIS and ADM staff are currently
                           working to address OMB's concerns and expect to meet the
                           December 31, 2015 due date for implementation. Once OMB
                           approves the Agency's implementation plan, OIS, in
                           collaboration with ADM, will proceed with developing new or
                           modifying existing IT selection policies and processes to
                           ensure continued compliance with the new requirements.

**AUDIT OF NRC'S INFORMATION
TECHNOLOGY PROCUREMENT PROCESS
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Status of Recommendations

<u>Recommendation 1 (cont.)</u>

The new or revised processes will be implemented upon approval by the governance bodies.

Target Completion Date: April 30, 2016

OIG Analysis: The action proposed by the agency meets the intent of the recommendation. This recommendation will be closed after OIG reviews the document describing the selection criteria and determines it was implemented for reviewing IT procurement proposals.

Status: Resolved.

**AUDIT OF NRC'S INFORMATION
TECHNOLOGY PROCUREMENT PROCESS
OIG-15-A-09**

Status of Recommendations

Recommendation 2:   Develop and implement a communication plan to educate NRC customers on IT procurement criteria and the role of NRC's governance structures in reviewing and approving IT procurement proposals.

Agency Response Dated
October 30, 2015:   In parallel with the activities in Recommendation 1, OIS and ADM will develop a joint communication plan to educate NRC customers on the complete IT procurement process and criteria, including the role of U.S. Nuclear Regulatory Commission's governance structures in reviewing and approving proposed IT requirements.

Target Completion Date: April 30, 2016

OIG Analysis: The action proposed by the agency meets the intent of the recommendation. This recommendation will be closed after OIG (1) reviews the communication plan to determine if it contains information to educate NRC customers on IT procurement criteria and the role of NRC's governance structures in reviewing and approving IT procurement proposals and (2) determines whether it has been implemented.

Status: Resolved.