



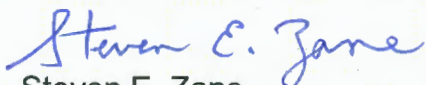
UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

**OFFICE OF THE
INSPECTOR GENERAL**

August 26, 2016

MEMORANDUM TO: Maureen E. Wylie
Chief Financial Officer

Victor M. McCree
Executive Director for Operations

FROM: 
Steven E. Zane
Acting Assistant Inspector General for Audits

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

REFERENCE: CHIEF FINANCIAL OFFICER MEMORANDUM DATED
AUGUST 12, 2016

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendation 1 as discussed in the agency's response dated August 12, 2016. Based on this response, recommendation 1 remains in resolved status. Recommendations 2, 3, and 4 were closed previously. Please provide an updated status on the resolved recommendation by April 14, 2017.

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. Lewis, OEDO
J. Jolicouer, OEDO
H. Rasouli, OEDO
J. Bowen
S. Hudson, OCFO
EDO_ACS Distribution Resource
RidsOCFOMailCenterResource

Audit Report

AUDIT OF NRC'S PROCESS FOR CALCULATING LICENSE FEES

OIG-13-A-02

Status of Recommendations

Recommendation 1: Prepare and document an annual fee rule validation (budget vs. cost analysis) and make adjustments as needed to the fee calculation process.

Agency Response

Dated August 12, 2016:

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 used to validate the hourly rate for the annual 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 the Financial Accounting and Integrated Management Information System (FAIMIS).
- Collaborated with financial system staff to evaluate data from the previous cost accounting system and developed a Report from FAIMIS.
- Performed user acceptance testing (UAT).

OCFO staff noticed during UAT that the parameters for the report were not effective in producing accurate data. OCFO staff is currently updating the report parameters in order to develop a revised report that will provide the data necessary to perform the validation. Once the revised report has completed UAT satisfactorily, OCFO will perform the

Audit Report

AUDIT OF NRC'S PROCESS FOR CALCULATING LICENSE FEES

OIG-13-A-02

Status of Recommendations

Recommendation 1 (Con't):

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 | March 2017 |
| 4. Document process for annual validation | June 2017 |

OIG Analysis:

The proposed action meets the intent of the recommendation. OIG will close this recommendation when the agency provides a copy of the documented annual fee rule validation and any resulting adjustments made to the fee calculation process.

Status:

Resolved.