



OFFICE OF THE
INSPECTOR GENERAL

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

November 14, 2017

MEMORANDUM TO: Maureen E. Wylie
Chief Financial Officer

Victor M. McCree
Executive Director for Operations

FROM: Dr. Brett M. Baker */RA/*
Assistant Inspector General for Audits

SUBJECT: STATUS OF RECOMMENDATION: AUDIT OF NRC'S
FISCAL YEAR (FY) 2016 COMPLIANCE WITH IMPROPER
PAYMENT LAWS (OIG-17-A-13)

REFERENCE: CHIEF FINANCIAL OFFICER'S MEMORANDUM DATED
OCTOBER 30, 2017

Attached is the Office of the Inspector General's (OIG) analysis and status of the recommendation as discussed in the agency's response dated October 30, 2017. Based on this response, recommendation 1 is resolved. Please provide a status update on the resolved recommendation by April 2, 2018.

If you have questions or concerns, please call me at (301) 415-5915 or Eric Rivera, Team Leader, at (301) 415-7032.

Attachments: As stated

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Audit Report

AUDIT OF NRC'S FISCAL YEAR (FY) 2016 COMPLIANCE WITH IMPROPER PAYMENT LAWS

OIG-17-A-13

Status of Recommendations

Recommendation 1: Evaluate the questioned costs to be recovered under NRC contracts NRC-08-09-306 and NRC-HQ-11-C-08-0057 to determine (1) how the questioned costs affect the agency's improper payment calculation, (2) if these questioned costs should be specifically mentioned in the improper payments section of NRC's FY 2017 Agency Financial Report, and (3) provide OIG with supporting documentation justifying the agency's conclusions.

Agency Response Dated
October 30, 2017:

NRC is not reporting information on the questioned costs in FY 2017 due to the fact that the NRC's Office of the General Counsel and Office of Administration, Acquisition Management Division are continuing to evaluate the questioned costs. Additional information has been requested from storage. After they complete their analysis, the Office of the Chief Financial Officer will make a determination as to whether these costs have an impact on the NRC's Improper Payments calculation and if reporting is required for the agency's FY 2018 Agency Financial Report.

Target date for completion: March 30, 2018.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. OIG will close this recommendation after reviewing supporting documentation, and other information as needed, to verify that the Office of the Chief Financial Officer has made a determination as to whether these costs have an impact on NRC's improper payment calculation and if reporting is required in the FY 2018 Agency Financial Report.

Status: Resolved.