



OFFICE OF THE
INSPECTOR GENERAL

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

May 15, 2018

MEMORANDUM TO: Victor M. McCree
Executive Director for Operations

Maureen E. Wylie
Chief Financial Officer

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

SUBJECT: STATUS OF RECOMMENDATION: AUDIT OF THE U.S.
NUCLEAR REGULATORY COMMISSION'S CONTRACT
ADMINISTRATION PROCESS (OIG-17-A-20)

REFERENCE: OFFICE OF ADMINISTRATION'S MEMORANDUM DATED
APRIL 17, 2018

Attached is the Office of the Inspector General's (OIG) analysis and status of the recommendations as discussed in the agency's response dated April 17, 2018. Based on this response, recommendation 2 is closed. Recommendations 1 and 3 are resolved. Please provide a status update on the resolved recommendation by August 17, 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

cc: R. Lewis, OEDO
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Audit Report

AUDIT OF THE U.S. NUCLEAR REGULATORY COMMISSION'S CONTRACT ADMINISTRATION PROCESS

OIG-17-A-20

Status of Recommendations

Recommendation 1: Develop and implement a system that centralizes the management of contractor provided invoices and supporting documentation.

Agency Response Dated
April 17, 2018:

The Invoice Processing Platform (IPP) has been implemented to the maximum extent possible given its current functionality. IPP does not have the ability to process invoices for contract types that may have a holdback associated with them, such as cost-plus-fixed-fee contracts. The Department of Treasury is holding an agency working group session on April 22, 2018, to address holdback functionality within the IPP system. The results of the working group will allow the Department of Treasury to establish a project plan for holdback functionality IPP enhancement. Invoices associated with other contract types are being processed using IPP.

Target Completion Date: December 31, 2018.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. As stated in the agency's September 16, 2017, response to this recommendation, IPP is being rolled out in stages with corresponding training. In light of this, OIG will close this recommendation after verifying that the IPP roll out is complete, including implementing corresponding training, for all invoice types.

Status: Resolved.

Audit Report

AUDIT OF THE U.S. NUCLEAR REGULATORY COMMISSION'S CONTRACT ADMINISTRATION PROCESS

OIG-17-A-20

Status of Recommendations

Recommendation 2: Develop a uniform prescribed practice and methodology to be used by Contracting Officer Representatives (CORs) to validate invoiced labor hours charged.

Agency Response Dated
April 17, 2018:

We reviewed and updated the Invoice Checklist for Time and Materials (T&M) and Labor Hour (LH) Type Contracts/Orders to ensure that the content is current and complete. In addition, we reviewed the Invoice Review Guidance document to ensure that the content is current and clearly explains the COR's role when reviewing and approving invoices.

Completed: March 29, 2018.

OIG Analysis: OIG reviewed the new "Invoice Review Guidance," "COR Invoice Review Checklist" and other supporting documentation and determined clear explanations for reviewing and approving invoices in a uniform manner to ensure validation of invoiced labor hours have been provided. This recommendation is therefore closed.

Status: Closed.

Audit Report

AUDIT OF THE U.S. NUCLEAR REGULATORY COMMISSION'S CONTRACT ADMINISTRATION PROCESS

OIG-17-A-20

Status of Recommendations

Recommendation 3: Design and implement procedures for timely contract closeout initiation by CORs.

Agency Response Dated
April 17, 2018:

The Acquisition Management Division is working with the Office of the Chief Financial Officer to develop interim guidance to supplement the closeout procedures currently outlined in Management Directive and Handbook 11.1, "NRC Acquisition of Supplies and Services." This interim guidance will provide more detailed procedures to facilitate timely initiation of contract closeout by the CORs.

Target Completion Date: July 31, 2018.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. OIG will close this recommendation upon verification and review of implemented procedures for more timely initiation of contract closeout by CORs.

Status: Resolved.