



OFFICE OF THE
INSPECTOR GENERAL

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

October 18, 2018

MEMORANDUM TO: Margaret M. Doane
Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATION: AUDIT OF NRC'S
PROCESS FOR REIMBURSING AGREEMENT STATE
PERSONNEL TRAINING EXPENSES (OIG-18-A-18)

REFERENCE: ACTING DEPUTY EXECUTIVE DIRECTOR FOR
MATERIALS, WASTE, RESEARCH, STATE, TRIBAL,
COMPLIANCE, ADMINISTRATION, AND HUMAN CAPITAL
PROGRAMS, MEMORANDUM DATED OCTOBER 11, 2018

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 11, 2018. Based on this response, recommendation 1 is resolved.

Please provide an updated status of the resolved recommendation by July 1, 2019.

If you have questions or concerns, please call me at (301) 415-5915, or Sherri Miotla, Team Leader, at (301) 415-5914.

Attachment: As stated

cc: R. Lewis, OEDO
H. Rasouli, OEDO
J. Bowen, OEDO
J. Jolicoeur, OEDO
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Audit Report

AUDIT OF NRC'S PROCESS FOR REIMBURSING AGREEMENT STATE PERSONNEL TRAINING EXPENSES

OIG-18-A-18

Status of Recommendation

Recommendation 1: Conduct a cost-benefit analysis to evaluate alternative Agreement State reimbursement options, such as establishment of contracts with individual Agreement States to facilitate reimbursement at the State per diem rate not to exceed the Federal per diem rate.

Agency Response Dated
October 11, 2018:

The NRC staff agrees in part and disagrees in part with the recommendation. Consistent with the staff's response to the OIG's Final Draft Report on this audit, the NRC staff disagrees that multiple options are available for which the NRC could perform a cost-benefit analysis in the interest of using NRC funds more efficiently.

Two reimbursement options have already been evaluated and eliminated (i.e., reimburse directly at the State per diem rate, and continue to reimburse at the Federal per diem rate and request that Agreement States with travel reimbursement policies that require their employees to only receive the State per diem rate on official work-related travel, send the difference in per diem rates to the NRC). In its response to the NRC staff comments on the draft report, the OIG stated that it "... strongly believes that there are other options employed by other Federal agencies that NRC can evaluate, in addition to establishing contracts between the NRC and Agreement States to enable States to reimburse travelers at the State per diem rates" (OIG-18-A-18, page 18). In addition, the OIG further stated that, "OIG believes it is reasonable to request that the NRC staff reach out to other Federal agencies and conduct additional research with regard to State employee reimbursement options for the benefit of future cost savings" (OIG-18-A-18, page 18).

Acknowledging that conducting such outreach was not included in the OIG's recommendation related to this audit, the NRC staff does not plan to conduct further outreach beyond that conducted by OIG in the context of performing the audit. The OIG has not provided a basis for its "strong belief" that there are other reimbursement options employed

Audit Report

AUDIT OF NRC'S PROCESS FOR REIMBURSING AGREEMENT STATE PERSONNEL TRAINING EXPENSES

OIG-18-A-18

Status of Recommendation

Recommendation 1 (cont.):

by other Federal agencies that the NRC can evaluate, and given the need to focus staff efforts on the most safety and security-significant work in a time of limited resources, the NRC staff does not believe that such a survey would be an efficient use of resources.

As discussed in the staff's response to the OIG's Final Draft Report, the NRC staff agrees to conduct a cost-benefit analysis of the feasibility of establishing travel expense reimbursement contracts with individual Agreement States. The analysis will be conducted in a "phased" approach and will include:

- a) A survey of all 38 Agreement States to determine their individual per diem rates and other information germane to the cost-benefit analysis.
- b) Conducting a cost-benefit analysis of establishing travel expense reimbursement contracts with all 38 Agreement States. The analysis would include an estimate of the funds saved/expended (i.e., monetarized full time equivalent resource estimates) by establishing and maintaining the contracts, including the monitoring of the Agreement State travel expenditures and annual Agreement State travel per diem rates

Target Completion Date: June 2019.

OIG Analysis:

The proposed actions meet the intent of the recommendation. OIG will close the recommendation after verifying that NRC conducted a cost-benefit analysis of establishing travel expense reimbursement contracts with all 38 Agreement States.

Status:

Resolved.