



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

July 3, 2019

CHIEF FINANCIAL
OFFICER

MEMORANDUM TO: Dr. Brett M. Baker
Assistant Inspector General for Audits

FROM: Maureen E. Wylie */RA/*
Chief Financial Officer

SUBJECT: STAFF RESPONSE TO THE OFFICE OF INSPECTOR GENERAL'S
AUDIT OF NUCLEAR REGULATORY COMMISSION'S FISCAL
YEAR 2018 COMPLIANCE WITH IMPROPER PAYMENTS LAWS
(OIG-19-A-12)

The staff has received the Office of the Inspector General's (OIG) report for Audit OIG-19-A-12, "Audit of NRC's Fiscal Year 2018 Compliance with Improper Payment Laws," dated June 3, 2019. This memorandum provides the staff's responses to the OIG recommendations, including the staff's planned actions and target dates for completion.

Recommendation 1:

Take steps to ensure that the Appendix C risk assessment provides supportable information for IPIA compliance. This should include creating contract deliverables addressing Appendix C requirements and performing a quality assurance review to ensure that the contractor's conclusions are thoroughly supported by evidence.

Response:

Agree. NRC's Office of the Chief Financial Officer (OCFO) will modify the existing internal control contract to strengthen the language relating to the prompt delivery of complete workpapers for the annual assessment.

Target date for Completion: December 31, 2019.

Recommendation 2:

Review the various payment integrity-related internal control efforts and revise procedures to enhance consistency among the different internal control compliance requirements.

Response:

Agree. NRC's OCFO will update the OMB Circular A-123 Appendix A Senior Assessment Team (SAT) charter to include the OCFO Internal Control Team Leader as a member of the SAT. Additionally, the OCFO will implement quarterly meetings with Division of Budget and Division of the Comptroller management and staff to enhance consistency among the NRC's internal control efforts.

Target date for Completion: December 31, 2019.

CONTACT: Susan Jones, OCFO/DOC/FRB
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Recommendation 3:

Update policies/procedures pertaining to the agency's improper payment notification, tracking, and monitoring. This policy/procedure should include steps to address and correct the high-level root cause of the improper payments identified.

Response:

Agree. NRC's OCFO will update its accounting policy manual to include procedures relating to improper payments.

Target date for Completion: December 31, 2019.

cc: Chairman Svinicki
Commissioner Baran
Commissioner Caputo
Commissioner Wright
SECY

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