



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

**OFFICE OF THE
INSPECTOR GENERAL**

January 6, 2020

MEMORANDUM TO: Margaret M. Doane
Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF THE
NRC'S PROPERTY MANAGEMENT PROGRAM
(OIG-20-A-17)

REFERENCE: DEPUTY EXECUTIVE DIRECTOR FOR MATERIALS,
WASTE, RESEARCH, STATE, TRIBAL, COMPLIANCE,
ADMINISTRATION AND HUMAN CAPITAL PROGRAMS,
MEMORANDUM DATED OCTOBER 30, 2020

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the agency's response dated October 30, 2020. Based on this response, recommendations 1 through 7 from this report are open and resolved. Please provide a status update for the open, resolved recommendations by March 31, 2021.

If you have questions or concerns, please call me at (301) 415-5915, or Vicki Foster, Team Leader, at (301) 415-5909.

Attachment: As stated

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Audit Report

AUDIT OF THE NRC'S PROPERTY MANAGEMENT PROGRAM

OIG-20-A-17

Status of Recommendations

Recommendation 1: Modify the definition of accountable property to align with the agency's procedures for accounting for property under the property management program. This encompasses defining and addressing the accountability of items not tracked in the Space and Property Management System (SPMS) including pilferable property.

Agency Response Dated
October 30, 2020:

Agree. The Office of Administration (ADM) will modify the definition of accountable property to ensure a comprehensive understanding of agency procedures in alignment with the property management program and systems in which accountable property is tracked in the SPMS and Remedy to include pilferable property. Management Directive (MD) 13.1 will be updated to include the modified definition.

Target Completion Date: December 31, 2021

Point of Contacts: Charemagne Grimes, ADM/DFS
(301) 415-8422

Dale Goode, OCIO/ITSDOD
(301) 287-0799

OIG Analysis:

The proposed actions meet the intent of this recommendation. This recommendation will be closed when OIG verifies that the ADM has modified the definition of accountable property in the NRC's property management program policy, MD 13.1, to (1) ensure practices are consistent with agency procedures (2) addresses the accountability of property not tracked in SPMS, and (3) includes defining and identifying pilferable property.

Status:

Open: Resolved.

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Status of Recommendations

Recommendation 2:

Include the receipt, management, and proper disposal of IT assets planned and currently tracked in Remedy within the property management program. This may include, but is not limited to actions such as:

- a. Updating MD 13.1, *Property Management* to designate Remedy as the property tracking system specifically for IT assets;
- b. Updating MD 13.1 to include the *NRC IT Logistics Index* policy for inputting IT assets greater than or equal to \$2,500, or which contain NRC information or data within the property management program;
- c. Specify in the updated MD 13.1, the use of unique identifiers to track and manage those IT assets within the NRC property management program;
- d. Specify in the updated MD 13.1, the methods and documentation of periodic inventories using unique identifiers within the NRC property management program;
- e. Provide appropriate acquisition information in excess property reporting for IT assets that contain NRC information or data; and,
- f. Ensure IT assets in the property disposal process comply with documenting media sanitation in accordance with the National Institute of Standards and Technology (NIST) Special Publication 800-88, Revision 1: *Guidelines for Media Sanitization* (NIST 800-88).

Agency Response Dated
October 30, 2020:

Agree. ADM and the Office of the Chief Information Officer (OCIO) will collaboratively reevaluate current practices and procedures to ensure logical and consistent processes are utilized in the receipt, management and disposal of IT assets planned and tracked in Remedy and SPMS under the property management program. MD 13.1 will be updated to include all relevant practices and procedures.

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Status of Recommendations

- a. Updating MD 13.1, *Property Management* to designate Remedy as the property tracking system specifically for IT assets;

Agency Response: MD 13.1 will be updated to designate Remedy as the property tracking system for IT assets;

- b. Updating MD 13.1 to include the *NRC IT Logistics Index* policy for inputting IT assets greater than or equal to \$2,500, or which contain NRC information or data within the property management program;

Agency Response: MD 13.1 will be updated to include NRC IT Logistics Index Policy information;

- c. Specify in the updated MD 13.1, the use of unique identifiers to track and manage those IT assets within the NRC property management program;

Agency Response: MD 13.1 will be updated with the use of tracking and managing unique identifiers on IT assets;

- d. Specify in the updated MD 13.1, the methods and documentation of periodic inventories using unique identifiers within the NRC;

Agency Response: MD 13.1 will be updated with the methods and required documentation of periodic inventories using unique identifiers;

- e. Provide appropriate acquisition information in excess property reporting for IT assets that contain NRC information or data; and;

Agency Response: The process will be reviewed to ensure appropriate acquisition documentation (i.e., end user, model and manufacturer numbers, media sanitation and verification dates, etc.) are documented in excess property reporting;

- f. Ensure IT assets in the property disposal process comply with documenting media sanitation in accordance with

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the National Institute of Standards and Technology (NIST) Special Publication 800-88, Revision 1: *Guidelines for Media Sanitization* (NIST 800- 88);

Agency Response: ADM is reviewing its current processes and will update processes accordingly to more closely follow the guidelines outlined in NIST publication 800-88.

Target Completion Date: December 31, 2021

OIG Analysis:

The proposed actions meet the intent of this recommendation. This recommendation will be closed when OIG verifies that ADM has updated MD 13.1, the agency property management program policy, to include all relevant practices and procedures, and implemented procedures for the receipt, management, and disposal of the IT assets in Remedy.

Status:

Open: Resolved.

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Status of Recommendations

Recommendation 3: Update and implement property receipt and tagging processes and procedures for the Facilities, Operations, and Space Management Branch (FOSMB), warehouse personnel, and property custodians, that will address:

- a. Decentralized property receipt and tagging functions; and,
- b. Providing property staff with acquisition information such as the cost and shipping information necessary to perform their property-related duties through automated notification.

Agency Response Dated
October 30, 2020:

Agree. ADM will update and implement property receipt and tagging procedures for FOSMB regarding agency purchase notification to the property staff.

- a. Decentralized property receipt and tagging functions; and,

Agency Response: Property will reevaluate decentralized property receipt and tagging functions;

- b. Providing property staff with acquisition information such as the cost and shipping information necessary to perform their property-related duties through automated notification.

Agency Response: Property staff will collaborate with the Acquisitions Management Division to develop a process workflow to provide property staff with acquisition information through automated notification.

Target Completion Date: July 30, 2021

OIG Analysis:

The proposed actions meet the intent of this recommendation. This recommendation will be closed when OIG verifies that ADM has updated and implemented receipt and tagging processes and procedures for the FOSMB, warehouse personnel, and property custodians, that addresses:

- a. The results of NRC's reevaluation of decentralized property receipt and tagging functions; and,

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- b. Providing property staff with specific acquisition information through automated notification.

Status:

Open: Resolved.

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Status of Recommendations

Recommendation 4: Limit the regional and the Technical Training Center (TTC) property item assignments to regional property custodians.

Agency Response Dated
October 30, 2020:

Agree. ADM will review regional and TTC property item assignments to ensure property in property custodian's jurisdictions are assigned to the custodian. However, specified agency property (i.e., firearms) located in the regions must continue to be assigned to headquarters office property accounts in which the property is purchased.

Target Completion Date: January 31, 2021

OIG Analysis:

The proposed actions meet the intent of this recommendation. This recommendation will be closed when OIG verifies that ADM has reviewed and adjusted regional and TTC property item assignments to ensure property in property custodian's jurisdictions have been assigned to the regional property custodians, as appropriate.

Status:

Open: Resolved.

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Status of Recommendations

Recommendation 5: Consolidate the notification of stolen NRC property to one NRC form.

Agency Response Dated
October 30, 2020:

Agree. ADM will revise the process so there is a single submission.

Target Completion Date: July 31, 2021

OIG Analysis:

The proposed actions meet the intent of this recommendation. This recommendation will be closed when OIG verifies that ADM has revised the policy and process so that the notification of stolen NRC property is consolidated to a single NRC form.

Status:

Open: Resolved.

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Status of Recommendations

Recommendation 6: Digitize the property process to facilitate reconciliation and property management workflow.

Agency Response Dated
October 30, 2020:

Agree. ADM has begun digitizing the property management workflow process and will continue this process where applicable.

Target Completion Date: June 30, 2021

OIG Analysis:

The proposed actions meet the intent of this recommendation. This recommendation will be closed when OIG verifies that ADM has digitized the property process to facilitate reconciliation and property management workflow.

Status:

Open: Resolved.

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Status of Recommendations

Recommendation 7: Self-reassess the risk to the agency for the policy changes of the tracking threshold increase and removal of cell phones, laptops, and tablets from the sensitive items list, for loss or theft of property items.

Agency Response Dated
October 30, 2020:

Agree. ADM and OCIO will self-reassess the risk to the agency.

Target Completion Date: May 30, 2021

OIG Analysis:

The proposed actions meet the intent of this recommendation. This recommendation will be closed when OIG verifies that ADM and OCIO have self-reassessed the risk to the agency for the policy changes of the tracking threshold increase and removal of cell phones, laptops and tablets from the sensitive items list, for loss or theft of property items in accordance with the OMB Circular A-123, Appendix A and NRC's ERM risk assessments.

Status:

Open: Resolved.