



May 3, 2022

MEMORANDUM TO: Daniel H. Dorman  
Executive Director for Operations

Cherish K. Johnson  
Chief Financial Officer

FROM: Eric Rivera */RA/*  
Acting Assistant Inspector General for Audits

SUBJECT: STATUS OF RECOMMENDATIONS: RESULTS OF THE AUDIT  
OF THE NUCLEAR REGULATORY COMMISSION'S FINANCIAL  
STATEMENTS FOR FISCAL YEAR 2020  
(OIG-21-A-02)

REFERENCE: CHIEF FINANCIAL OFFICER, OFFICE OF THE CHIEF  
FINANCIAL OFFICER, MEMORANDUM DATED NOVEMBER 13,  
2020

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the agency's response dated November 13, 2020. Based on this response, recommendations 1 through 4 are closed. Recommendation 5 is open and resolved. Please provide an updated status of the open and resolved recommendation by July 29, 2022.

If you have any questions or concerns, please call me at (301) 415-5915 or Terri Cooper, Team Leader, at (301) 415-5965.

Attachment: As stated

cc: S. Miotla, OEDO  
J. Jolicoeur, OEDO  
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## Audit Report

### RESULTS OF THE AUDIT OF THE NUCLEAR REGULATORY COMMISSION'S FINANCIAL STATEMENTS FOR FISCAL YEAR 2020 OIG-21-A-02

#### Status of Recommendations

<u>Recommendation 1:</u>	Perform a more robust review of the future lease payments schedule to ensure it reflects all changes and updates to occupancy agreements. This review should include a documented review by the group responsible for negotiating and signing occupancy agreements since they would be most familiar with all current occupancy agreements.
Agency Response Dated November 13, 2020:	Agree. The Office of the Chief Financial Officer will improve the review of future lease payments, including coordinating with the Office of Administration.
OIG Analysis:	The OIG reviewed documentation from the Office of the Chief Financial Officer (OCFO) of the review completed by the group responsible for occupancy agreements and determined this fulfills this recommendation. Therefore, this recommendation is closed.
<b>Status:</b>	Closed.

## Audit Report

### RESULTS OF THE AUDIT OF THE NUCLEAR REGULATORY COMMISSION'S FINANCIAL STATEMENTS FOR FISCAL YEAR 2020 OIG-21-A-02

#### Status of Recommendations

<u>Recommendation 2:</u>	Perform a more robust review of leasehold improvements and require accurate communication from accountable property managers to ensure that as occupancy agreements change, projects begin, or projects are completed, any impact to leasehold improvements in the financial statements is recorded timely and accurately. This review should also include timely and completely documenting the status of leasehold improvements in process.
Agency Response Dated November 13, 2020:	Agree. The Office of the Chief Financial Officer will improve the review of leasehold improvements. This includes improving communication with the Office of Administration and other program offices that have responsibility for leasehold improvements.
OIG Analysis:	Based on documentation provided by the OCFO showing a quarterly meeting and monthly tickets on leasehold improvements, this recommendation is closed.
<b>Status:</b>	Closed.

## Audit Report

### RESULTS OF THE AUDIT OF THE NUCLEAR REGULATORY COMMISSION'S FINANCIAL STATEMENTS FOR FISCAL YEAR 2020 OIG-21-A-02

#### Status of Recommendations

Recommendation 3: Strengthen internal control to ensure funds are de-obligated timely including identifying amounts to be de-obligated and posting the de-obligation to the accounting system.

Agency Response Dated  
November 13, 2020: Agree. The Office of Administration has implemented a focused effort to eliminate the contract close out backlog.

OIG Analysis: The OIG requested and reviewed documentation that the NRC reviews all open obligations and certifies their validity on a monthly basis. The OIG found the additional information to show strengthened internal controls ensuring funds are de-obligated timely including identifying amounts to be de-obligated and posting the de-obligation to the accounting system. Therefore, this recommendation is closed.

**Status:** Closed.

## Audit Report

### RESULTS OF THE AUDIT OF THE NUCLEAR REGULATORY COMMISSION'S FINANCIAL STATEMENTS FOR FISCAL YEAR 2020 OIG-21-A-02

#### Status of Recommendations

Recommendation 4: Maintain adequate documentation, including correspondence, for the reasons why an aged unliquidated obligation should not be de-obligated.

Agency Response Dated  
November 13, 2020: Agree. Documentation will be maintained if reasons that unliquidated obligation should not be deobligated are identified.

OIG Analysis: The OCFO provided the OIG with a list of aged unliquidated obligations (ULOs) that includes a required explanation if a ULO is marked not to be de-obligated. Therefore, this recommendation is closed.

**Status:** Closed.

## Audit Report

### RESULTS OF THE AUDIT OF THE NUCLEAR REGULATORY COMMISSION'S FINANCIAL STATEMENTS FOR FISCAL YEAR 2020 OIG-21-A-02

#### Status of Recommendations

<u>Recommendation 5:</u>	Review the process for generating the unliquidated obligation subsidiary details report (management report); ensure that amounts that are not ULOs are not included in the management report; and reconciles the management report to the general ledger.
Agency Response Dated November 13, 2020:	Agree. The Office of the Chief Financial Officer will review the unliquidated obligations management report.
OIG Analysis:	The proposed actions meet the intent of the recommendation. The OIG will close this recommendation when the NRC reviews the unliquidated obligations management report, ensures non-ULOs are not in the management report, and reconciles the report to the general ledger.
<b>Status:</b>	Open: Resolved.