MEMORANDUM

DATE: January 9, 2024

TO: Daniel H. Dorman
               Executive Director for Operations

FROM: Hruta Virkar, CPA */RA/*
               Assistant Inspector General for Audits

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

REFERENCE: DIRECTOR, OFFICE OF ADMINISTRATION
               MEMORANDUM DATED DECEMBER 18, 2023 AND
               ENCLOSURES

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendation as discussed in the agency's response dated December 18, 2023. Recommendations 1, 2, 3, 4, and 6 were previously closed. Based on this response, recommendations 5 and 7 are now closed. Consequently, all recommendations for this audit are now closed and the audit is considered closed.

If you have any questions or concerns, please call me at 301.415.1982 or Paul Rades, Team Leader, at 301.415.6228.

Attachment:
As stated

cc: M. Bailey, ADO
       T. Govan, Acting DADO
       J. Jolicoeur, OEDO
       OIG Liaison Resource
       EDO ACS Distribution

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

Agency Response Dated
December 18, 2023:   Per OIG's recommendation, ADM will incorporate Enclosure
                            1, previously Enclosure 3, the various methods for reporting
                            lost/stolen property, reporting of lost/stolen property
                            through the appropriate NRC forms, and the routing path of
                            these forms to the appropriate parties into the finalized
                            MD 13.1 scheduled for December 31, 2023.

OIG Analysis: The OIG reviewed the finalized version of MD 13.1 and
                            verified changes to agency procedures for reporting lost or
                            stolen property. This recommendation is now closed.

Status: Closed.

<u>Recommendation 7:</u>	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 <u>December 18, 2023:</u>	Through collaboration between ADM and OCIO, a Yellow Announcement (YA-22-0098) was issued on December 15, 2022, to inform all NRC employees of the decision to remove cell phones, laptops, and tablets from the sensitive items list and that these items are no longer being tracked in the NRC's Space and Property Management System (SPMS) but are now being tracked and managed by OCIO's Information Technology Service Management System (ServiceNow). Additionally, OCIO has updated the Hardware Asset Management playbook to include guidance on the process for reporting lost, missing, or stolen hardware assets covered under MD 12.5, "NRC Cybersecurity Program."
	Additionally, ADM and OCIO have conducted a self-reassessment of 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 using the Be RiskSMART model. Based on the reassessment both parties concurred to maintaining the status quo with the current policy dated March 29, 2018.
OIG Analysis:	The OIG determined that the Yellow Announcement and the Hardware Asset Management (HAM) playbook partially address the recommendation. Additionally, the OIG reviewed the provided reassessment to verify the staff's assessment of risks associated with changes to agency policy regarding tracking of sensitive items. This recommendation is now closed.
Status:	Closed.