



OFFICE OF THE
INSPECTOR GENERAL

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

March 11, 2010

MEMORANDUM TO: R. William Borchardt
Executive Director for Operations

J. E. Dyer
Chief Financial Officer

FROM: Stephen D. Dingbaum */RA/*
Assistant Inspector General for Audits

SUBJECT: MEMORANDUM REPORT: REVIEW OF NRC'S
IMPLEMENTATION OF THE FEDERAL MANAGERS'
FINANCIAL INTEGRITY ACT FOR FISCAL YEAR 2009
(OIG-10-A-10)

This report reflects the Office of the Inspector General's assessment of the Nuclear Regulatory Commission's (NRC) FY 2009 compliance with the Federal Managers' Financial Integrity Act (FMFIA) of 1982. We found that NRC complied with the FMFIA requirements.

BACKGROUND

The FMFIA, enacted on September 8, 1982, requires ongoing evaluations and reports of the adequacy of internal controls and accounting systems of each executive agency. Further, the FMFIA requires that, each year, the head of each executive agency report to the President and the Congress on their agency's compliance with the FMFIA requirements.

Effective since FY 2006, Office of Management and Budget (OMB) Circular No. A-123, *Management's Responsibility for Internal Control*, revised December 2004, requires agencies to include the annual FMFIA report as part of the Performance and Accountability Report under the heading "Management Assurances." Additionally, this circular requires management to provide a separate assurance statement relating to the effectiveness of internal control over financial reporting.

RESULTS

In the FY 2009 Performance and Accountability Report, the Chairman provided reasonable assurance that internal control over operations, compliance with laws and regulations, and internal control over financial reporting were operating effectively and no material weaknesses were found. The Inspector General concurs with the assurances made and found that NRC complied with the FMFIA requirements.

AGENCY COMMENTS

A draft report was provided to the Executive Director for Operations and the Chief Financial Officer for comment. These offices had no comments on the report.

SCOPE/CONTRIBUTORS

We evaluated the internal controls related to NRC's implementation of the FMFIA for FY 2009, and conducted our work during the period October 2009 - March 2010, in accordance with generally accepted Government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This audit was conducted by Steven Zane, Deputy Assistant Inspector General for Audits; Kathleen Stetson, Audit Manager; Terri Cooper, Audit Manager; and Elaine Kolb, Senior Auditor.

If you have any questions, please contact me at 415-5915 or Steven Zane at 415-5912.

cc: Chairman Jaczko
Commissioner Klein
Commissioner Svinicki
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