Corporation for
NATIONAL & COMMUNITY SERVICE

OFFICE OF INSPECTOR GENERAL

June 20, 2003

The Honorable Hubert T. Bell
Inspector General
U. S. Nuclear Regulatory Commission
Mail Stop T5-D28
Washington, D.C. 20555

The Office of Inspector General, Corporation for National and Community Service, has reviewed the system of quality control for the audit function of the U.S. Nuclear Regulatory Commission, Office of the Inspector General (OIG) in effect for the year ended March 31, 2003. We conducted our review in conformity with standards and guidelines established by the President's Council on Integrity and Efficiency (PCIE). We tested compliance with the OIG's system of quality control to the extent we considered appropriate. These tests included a review of the audits identified in the enclosure.

In performing our review, we have given consideration to the policy statement on quality control and external reviews, dated February 2002, and issued by the PCIE. That statement indicates that an OIG's quality control policies and procedures should be appropriately comprehensive and suitably designed to provide reasonable assurance that the objectives of quality control will be met. It also recognizes that the nature, extent and formality of an OIG's system of quality control depends on various factors such as the size of the OIG, the location of its offices, the nature of the work and its organizational structure.

In our opinion, the system of quality control for the audit function of the U.S. Nuclear Regulatory Commission, Office of the Inspector General, in effect for the year ended March 31, 2003, has been designed in accordance with the quality standards established by the PCIE and was being complied with for the year then ended to provide the OIG with reasonable assurance of material compliance with professional auditing standards in the conduct of its audits. Therefore, we are issuing an unqualified opinion on your system of audit quality control.

Sincerely,

J. Russell George

J. Russell George
Inspector General

Enclosure

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Peer Review Scope and Methodology

Scope and Methodology

We tested compliance with the Office of the Inspector General's system of quality control to the extent we considered appropriate. These tests included a review of 3 of 15 audit reports issued during the September 30, 2002, and March 31, 2003, semiannual reporting periods for the period April 1, 2002, through March 31, 2003. In addition, we reviewed the financial statement audit and monitoring activities covering the FY 2002 financial statements for the U.S. Nuclear Regulatory Commission that were performed under contract by Navarro & Associates. We also reviewed the internal quality control reviews performed by the U.S. Nuclear Regulatory Commission, Office of the Inspector General.

OIG Office Reviewed

We visited the U.S. Nuclear Regulatory Commission, Office of the Inspector General, located in Rockville, Maryland.

Audit Reports Reviewed

Report Number	Report Date	Report Title
OIG-03-A-11	3/21/2003	Use of E-Mail at NRC
OIG-03-A-07	2/26/2003	Management Audit of Region II
OIG-02-A-16	9/18/2002	Memorandum Report: Review of NRC's Protection of Social Security Numbers