

MAY 29 2007



TO: Assistant Administrator for Infrastructure and Administration
Assistant Administrator for Procurement
Director, Johnson Space Center

FROM: Assistant Inspector General for Auditing

SUBJECT: Final Memorandum on Post-Closure Follow-Up Review for
Audit Recommendations Closed During FYs 2001–2005
(Report No. Q-06-005-00)

The Office of Inspector General conducted a post-closure follow-up review for audit recommendations closed during fiscal years (FYs) 2001 through 2005. Our overall objective was to determine whether NASA's audit follow-up system was in compliance with the Office of Management and Budget (OMB) Circular A-50 (revised), "Audit Followup," September 29, 1982. Specifically, we determined whether

- audit recommendations were resolved within 6 months of the final report issue date;
- corrective actions were implemented within 1 year of the final report issue date; and
- corrective actions were sufficient to mitigate the deficiencies identified by the auditors.

We conducted our review from May 2006 to April 2007. We statistically selected, from a universe of 411 closed OIG audit recommendations, 40 recommendations that were closed between October 1, 2000, and September 30, 2005.

Executive Summary

We found that, generally, the Agency was in compliance with the requirements of OMB Circular A-50. About 90 percent of the recommendations we reviewed were resolved within 6 months of the issue date of the final report. For the 10 percent that were not resolved within 6 months, the Agency initially nonconcurred with the recommendation, the recommendation involved coordination with other Federal agencies, or the Audit Followup Official did not agree with the audit findings and recommendations.

For the 90 percent of recommendations resolved within 6 months, the Agency implemented corrective actions for about 80 percent within 1 year of issuance of the final report. For the 20 percent for which corrective actions were not taken within 1 year, those corrective actions involved a policy change, a program that was eventually

cancelled, coordination with other Federal agencies, or the Audit Followup Official did not agree with the audit findings and recommendations.

We also found that for about 90 percent of the recommendations reviewed, corrective actions the Agency implemented were sufficient to mitigate the deficiencies identified by the auditors. For the remaining 10 percent of these recommendations, corrective actions implemented either partially mitigated or did not mitigate the deficiencies. For example, we recommended that Johnson Space Center (Johnson) contracting officer's technical representatives (COTRs) receive training on new technology requirements. During our review, we found that several COTRs had not received training on the new requirements. We also recommended that Headquarters and Johnson COTRs attend refresher training. During our review, we found that about 50 percent of the active COTRs at Johnson had received the annual refresher training and less than 85 percent of the active COTRs at Headquarters had received refresher training within the past 5 years. The attached briefing charts detail the results of our review (see Enclosure 1) and also contain background information, the review's scope and methodology, and our observations and recommendations for corrective actions. Management concurred with our recommendations (see Enclosure 2).

Recommendations, Management's Response, and Evaluation of Management's Response

Recommendation 1. We recommend that the Assistant Administrator for Infrastructure and Administration conduct periodic assessments of OIG recommendations and NASA's corrective actions to ensure actions were implemented and to identify trends and systemwide problems and recommend solutions.

Management's Response. Management concurred, stating that it has revised the NASA Policy Directive 9910.1, "Government Accountability Office/NASA Office of Inspector General Audit Liaison, Resolution, and Follow-up," June 28, 2006, which includes a provision to provide "periodic assessments of recommendations and corrective actions to identify trends or system-wide problems and to recommend solutions." Management has completed one post-closure follow-up report and plans to complete an additional review before the end of FY 2007. Management also plans to perform additional reviews in FY 2008 and beyond.

Evaluation of Management's Response. Management's actions and planned actions are responsive to the recommendation. The recommendation will remain open pending completion of the post-closure follow-up review, which management plans to complete by the end of FY 2007.

Recommendation 2. We recommend that the Director, Johnson Space Center, ensure that contracting officer's technical representatives attend training on the new technology reporting requirements and annual refresher training.

Management's Response. Management concurred with the intent of the recommendation, stating that new technology reporting requirements have been

incorporated into the contracting officer technical representative training, and that they are evaluating improvements to their internal processes for documenting their compliance. In addition, they have named a process improvement team to recommend further enhancements to their tracking and recordkeeping in this area.

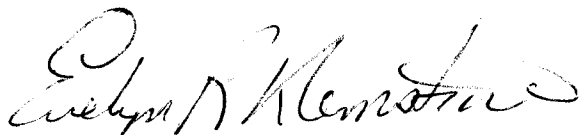
Evaluation of Management's Response. Management's actions and planned actions are responsive to the recommendation. In a communication subsequent to their official response, management estimated that they should complete their evaluation and formulate an implementation plan, if appropriate, relative to any recommendations the process improvement team may bring forth, by September 30, 2007. The recommendation will remain open pending completion of these actions.

Recommendation 3. We recommend that the Assistant Administrator for Procurement ensure that the contracting officer's technical representatives at Headquarters attend refresher training.

Management's Response. Management concurred, stating that it is working to notify all personnel that have not had refresher training within the last 5 years and are currently serving as Headquarters contracting officer technical representatives, of the training requirements. Management also intends to establish a process by the end of calendar year 2007 to ensure that individual notifications are sent to personnel in need of refresher training and revise policy to clarify the refresher training requirement.

Evaluation of Management's Response. Management's actions and planned actions are responsive to the recommendation. The recommendation will remain open until the actions regarding the notification process are complete.

We appreciate the courtesies extended the audit staff during the review. If you have any questions, or need additional information, please contact Ms. Jacqueline White, Quality Assurance Director, at 202-358-0203, or me at 202-358-2572.



Evelyn R. Klemstine

Enclosure

cc:

Assistant Administrator for Security and Program Protection
Director, Goddard Space Flight Center
Director, Kennedy Space Center

NASA OIG
Quality Assurance Review
Post-Closure Follow-Up for Audit Recommendations
Closed During Fiscal Years 2001 through 2005

April 23, 2007

BACKGROUND

The Inspector General Act of 1978¹ requires that Federal agency management resolve recommendations (make a final management decision about identified corrective actions) within 6 months after issuance of the audit report. The Act also requires that, for resolved audit recommendations, agency management complete implementation of agreed-upon corrective actions (ensure final execution of corrective actions and close the recommendation) within 12 months after the date of the audit report.

Office of Management and Budget (OMB) Circular No. A-50 (revised), "Audit Followup," September 29, 1982, states, "audit followup is an integral part of good management, and is a shared responsibility of agency management officials and auditors." It also states that "each agency shall establish systems to assure the prompt and proper resolution and implementation of audit recommendations. These systems shall provide for a complete record of action taken on both monetary and non-monetary findings and recommendations." In addition, the Circular requires that agency management resolve audit recommendations within 6 months of issuance of the final report and proceed with corrective action(s) as rapidly as possible.

To comply with and implement Federal audit resolution and follow-up requirements, the Agency issued NASA Policy Directive (NPD) 1200.1B, "Internal Management Controls and Audit Liaison and Followup," June 1, 2000. NPD 1200.1B stated that the Audit Followup Official (AFO) is responsible for "ensuring that NASA's audit followup systems, management decisions concerning audits, and corrective actions comply with OMB Circular A-50." It further stated that "agreed-upon actions associated with audit recommendations will be implemented in a timely manner, generally not to exceed 1 year. NASA will employ its process to verify that final action is completed." This NPD was cancelled June 1, 2006.

In June 2006, NASA issued a more agency-specific audit resolution and follow-up policy—NPD 9910.1, "Government Accountability Office/NASA Office of Inspector General Audit Liaison, Resolution, and Followup," June 28, 2006. NPD 9910.1, paragraph 1.g, states that "agreed-upon corrective actions associated with audit recommendations will be implemented in a timely manner, generally not to exceed one year from the issuance of the final audit report, dependent upon the complexity and scope of the corrective actions." Paragraph 5.c further states that the Assistant Administrator for Infrastructure and Administration is responsible for overseeing Agency implementation of audit liaison, resolution, and follow-up activities, including periodic assessments of recommendations and corrective actions to identify trends or systemwide problems and to recommend solutions.

¹ 5 U.S.C., Appendix, section 5, et seq., "Inspector General Act of 1989," as amended.

In March 2006, the Office of Infrastructure and Administration's Management Systems Division² (MSD) initiated a Post-Closure Follow-up Review. The scope of that review was limited to a single Office of Inspector General (OIG) audit recommendation issued in May 2000 and subsequently closed, based on responsive management action, in March 2001. The objectives of the MSD review were to determine whether NASA's audit follow-up system was sufficient to ensure that recommendations were resolved within 6 months after the issuance of the final audit report and closed within 1 year of issuance of the final audit report. It also included a consideration of whether any trends or systemic deficiencies exist with respect to the subject matter of the recommendation reviewed. In August 2006, due to limited resources, MSD management decided to temporarily discontinue this type of review and concentrate their efforts on monitoring and overseeing HQ International Organization of Standardization (ISO) certification audits.

² Effective February 20, 2007, the Management Systems Division of the Office of Infrastructure and Administration was abolished. The former division became the Office of Internal Controls and Management Systems.

OBJECTIVES

Our overall objective in undertaking this review was to determine whether NASA's audit follow-up system was in compliance with OMB Circular A-50. Specifically, we determined whether

- audit recommendations were resolved within 6 months of the final report issue date;
- corrective actions were implemented within 1 year of the final report issue date; and
- corrective actions were sufficient to mitigate the deficiencies identified by the auditors.

SCOPE AND METHODOLOGY

We conducted our review from May 2006 to April 2007. During the initial survey for this project, we judgmentally selected 4 OIG audit recommendations that were closed during FY 2005. For the audit phase, we statistically selected, from a universe of 411 closed OIG audit recommendations, an additional 36 recommendations that were closed between October 1, 2000, and September 30, 2005. Our universe of 411 recommendations did not include those issued by the OIG Information Technology Directorate (IT) and Financial Statement Audit Directorate (FSD). Most of the closed IT recommendations pertained to the need to revise NPR 2810.1, which was revised May 16, 2006, and the FSD Directorate has its own follow-up process. We did not perform a statistical projection with the universe because the universe included a wide variety of recommendations (e.g., policy changes, monetary benefits, and program changes), and we did not track recommendations by type for the period we reviewed.

We reviewed applicable assignment workpaper files and reports, interviewed NASA officials and key members assigned to the audit teams, and performed tests of corrective actions taken in response to the recommendations. The nature and extent of testing varied depending on the specific recommendation.

RESOLUTION WITHIN 6 MONTHS OF REPORT ISSUANCE

We found that 35 (88 percent) of 40 recommendations were resolved, with corrective actions identified, within 6 months of the final report issue date, as required by OMB Circular A-50. However, the remaining 5 (12 percent) of the 40 recommendations were not resolved within 6 months of the final report issue date.

- One recommendation, with which management nonconcurred, was not resolved until 4 years later. OIG recommended revising NPD 9501.3, "Earned Value Performance Management," and draft NPG 9501.4, "Earned Value on NASA Contracts." The recommendation was brought before the AFO twice, and at some point the AFO linked corrective actions to a revision to NPR 7120.5, "NASA Program and Project Management Processes and Requirements," instead of the recommended NPD 9501.3 and NPG 9501.4. We found no documentation in the audit files that explained the resolution delay or the policy substitution.
- Two recommendations were closed without corrective action being taken because the AFO did not agree with the findings or recommendations.
- Two recommendations were initially considered resolved when the report was issued. However, because the auditors found additional information, the recommendations were subsequently reopened and considered unresolved at the request of the OIG. Both of these recommendations involved other Federal agencies and eventually were closed with no action taken because the other agencies did not support NASA's position.

Conclusion: With the exception of the one recommendation that was not resolved until 4 years later, the Agency was in compliance with OMB Circular A-50. Currently, the Agency does not have any unresolved OIG recommendations more than 6 months old.

IMPLEMENTATION OF CORRECTIVE ACTION(S) WITHIN 1 YEAR

For 27 (77 percent) of the 35 recommendations, we found that the corrective actions identified in recommendation resolutions were implemented within 1 year of issuance of the final report, as required by OMB Circular A-50. The corrective actions implemented were generally consistent with the audit recommendations, or an acceptable alternative action was performed.

For 7 (20 percent) of the 35 recommendations, corrective actions were not implemented within 1 year of issuance of the final report because implementation involved policy changes, which took longer than 1 year to complete, or coordination with another Federal agency, which took longer than 1 year to negotiate.

- Six recommendations involved policy changes and the approval process for changing the relevant policies took more than a year.
- One recommendation was a request that the Defense Contracting Audit Agency audit and validate the actual savings accrued to NASA from a contractor.

For 1 (3 percent) of the 35 recommendations, the corrective action was never implemented by NASA because the action was overcome by events—i.e., the program was cancelled.

Conclusion: With the exception of the 6 recommendations that involved policy changes and the 1 recommendation that involved coordination with another Federal agency, NASA was in compliance with OMB Circular A-50.

CORRECTIVE ACTION(S) SUFFICIENT TO MITIGATE DEFICIENCY

For 31 (88 percent) of the 35 recommendations implemented, we found that the corrective actions taken by NASA were sufficient to mitigate the deficiencies identified by the auditors.

For 2 (6 percent) of the 35 recommendations, the corrective actions taken by NASA were only partially sufficient to mitigate the deficiencies.

— Corrective action for one recommendation was not implemented completely.

Report #IG-04-025, Finding: NASA security investigators at Kennedy did not ask OIG to review its case files for information on individuals as part of NASA's Mission Critical Space System Personnel Reliability Program and as required by Subpart 1214.504(b)(6) of the Code of Federal Regulations (CFR). As a result, the investigators may have missed information that could have affected their determination of an individual's suitability for access to mission critical space system areas. Requests were not made because the security investigators believed the OIG would not provide enough detailed information on a particular individual to make a suitability-for-access determination. By not performing all the CFR screening requirements, NASA increased its risk of allowing unsuitable individuals unescorted access to mission critical space system areas and the risk of identifying unsuitable individuals as eligible to hold mission critical positions. Either condition could compromise the security of NASA assets. We recommended that the Kennedy Center Director request reviews of OIG case files as part of the Personnel Reliability Program screening process. During the audit resolution process, the Kennedy Security Office also agreed to document the screening results of the Personnel Reliability Program in each candidate's file.

During our present review, we found that the Kennedy Center's Security Office personnel did request reviews of OIG case files as part of the screening process. However, they did not document the results of the review in the candidates' files. As a result, the files contained no records indicating whether individuals had been screened by the OIG. Such records could provide a history for recertification or denial of clearance, especially in cases involving questionable circumstances.

On January 22, 2007, the Kennedy Center's Security Specialist informed us that the Security Office contract personnel were directed to document the OIG case file reviews in the candidates' files. We confirmed this information with the contract manager who provided us with a copy of the official form used to document the review. Therefore, we are not making a recommendation.

— Corrective action for one recommendation was not implemented at one of the four Centers reviewed.

Report #IG-03-025, Finding: We found 85 purchase card accounts that had transaction limits that exceeded the NASA Federal Acquisition Regulation (FAR) Supplement (NFS) guidelines and 30 purchase card accounts for which the monthly credit limit exceeded the amounts the procurement officers were authorized to grant. The exceeded limits occurred because NASA lacked procedures for periodic account limit reviews and did not maintain documentation of initial account transaction and credit limits authorized by procurement officers or subsequent modifications of the limits. In addition, the procurement officers did not always include credit limits in their written delegations to the cardholders. Lack of credit limits and excessive limits increase the risk of inappropriate use of Government credit cards and financial loss to NASA. We recommended that Center management at Goddard, Kennedy, Langley, and Stennis establish procedures to maintain documentation of initial account transactions, authorized credit limits, and subsequent modifications to purchase card accounts. The Center management concurred with the recommendation. In addition, the Assistant Administrator for Procurement issued an Agency-wide policy to implement the OIG recommendations, Procurement Information Circular (PIC) 03-20, "Purchase Card Account Management," October 31, 2003.

During our follow-up review, we tested implementation of the policy at the four Centers and found that three Centers—Goddard, Langley, and Stennis were in compliance with the policy. However, Kennedy had not maintained proper documentation for each of the purchase accounts. As a result, cardholders could exceed the approved credit limits.

On January 22, 2007, the Kennedy Center's Purchase Card Program Coordinator informed us that each of the purchase cardholder files had been updated as required by PIC 03-20. We reviewed a sample of the files to verify the information was correct in the purchase cardholder files. We found no discrepancies. Therefore, we are not making a recommendation.

For 2 (6 percent) of the 35 recommendations, the actions were not sufficient to mitigate the deficiencies.

Report #IG-03-006, Finding: We found that NASA did not follow up with contractors that were required to submit reports on new technology developments. As a result, the Agency could not be assured that new technologies developed under contracts were transferred to private industry for commercial use. The OIG had reported on the lack of management emphasis on and training in reporting requirements. NASA had taken corrective actions; however, we found that this issue continued to be a concern. We determined that new technology representatives and contracting officer's technical representatives (COTRs) were not sufficiently trained in new technology reporting requirements. One of the six new technology representatives we interviewed had attended the Agency-provided "Technology Transfer and Commercialization for Project Personnel" training but none of the seven COTRs we interviewed had attended the training. One recommendation had been addressed to the Director, Johnson Space Center, and stated that Johnson's new technology representatives and COTRs should receive training on new technology reporting requirements. In response to that recommendation, Johnson incorporated new technology reporting requirements into its COTR training and the training plans for new technology representatives.

During our follow-up review, however, we found that several Johnson COTRs had not attended training on the new technology reporting requirements. In addition, about 50 percent of the COTRs had not attended required annual refresher training. Lack of training in requirements for reporting new technology could cause COTRs to not properly identify Agency-funded technology or advise contractors of their obligation to report new technology.

— **Report #IG-05-002, Finding:** We reviewed training-related documents for 1,593 COTRs and found that 571 needed refresher training. However, NFS did not include an explicit requirement for refresher training. Of the 571 COTRs that needed refresher training, 70 were active COTRs monitoring 159 contracts with a total value of approximately \$801 million. The Deputy Chief Acquisition Officer had issued guidance in the form of a memorandum to installation Procurement Officers, in September 2001, requesting that each installation pursue refresher training for COTRs. However, the Centers were uncertain whether the memorandum was a mandatory Agency policy or simply a suggestion. One of the OIG report recommendations was addressed to the Deputy Chief Acquisition Officer. We recommended that he ensure that the Office of the Chief Financial Officer/Procurement Directorate tracks and enforces the completion of basic and refresher COTR training. In response to our recommendation, the Office of the Chief Financial Officer/Procurement Directorate tasked its Procurement Survey Team to review the issue of COTR training when performing procurement surveys and

immediately report weaknesses to the Center Procurement Officer for corrective action. In addition, the Deputy Chief Acquisition Officer issued a memorandum to the Centers on September 3, 2004, asking them to reinforce the need for technical directorates to get directly involved with the COTRs and the Procurement Officer to ensure that the required training is received.

During our follow-up review, we found that about 3 percent of the COTRs at Goddard had not attended the refresher training. Although the COTRs at Headquarters were not included in the initial audit, we obtained the Headquarters training records and found that over 30 percent of the active COTRs had not attended the refresher training as required. For effective contract administration and oversight, COTRs must complete the basic and refresher training to ensure that they are aware of the most current Federal procurement regulations, policies, procedures, and techniques related to their duties and responsibilities.

On January 11, 2007, Goddard sent the OIG an updated listing of the COTRs who completed the refresher training. This listing showed that all the active COTRs at Goddard received refresher training as of September 30, 2006. However, 17 percent of the active COTRs at Headquarters had not received refresher training within the past 5 years.

Conclusion: For 12 percent of the recommendations reviewed, the Agency was not in compliance with OMB Circular A-50—i.e., implemented corrective actions that were sufficient to mitigate the deficiencies. These recommendations covered two important areas—personnel security and procurement activities.

OTHER MATTERS OF INTEREST

In February 2007, during our audit, MSD was abolished. The former division became the Office of Internal Controls and Management Systems within the Office of Institutions and Management. At the time of our review, the Assistant Administrator for Infrastructure and Administration remained responsible for overseeing Agency implementation of audit liaison, resolution, and follow-up activities. As of May 2007, this responsibility was transferred to the Assistant Administrator for Internal Controls and Management Systems.

RECOMMENDATIONS

1. We recommend that the Assistant Administrator for Infrastructure and Administration comply with NPD 9910.1, paragraph 5.c, which requires the Assistant Administrator to conduct periodic assessments of recommendations and corrective actions to ensure actions were implemented and to identify trends and systemwide problems and recommend solutions.
2. We recommend that the Director, Johnson Space Center, ensure that contracting officer's technical representatives attend training on the new technology reporting requirements and annual refresher training.
3. We recommend that the Assistant Administrator for Procurement ensure that the contracting officer's technical representatives at Headquarters attend refresher training.

National Aeronautics and
Space Administration
Headquarters
Washington, DC 20546-0001



May 15, 2007

Reply to Attn of: **Office of Internal Controls and Management Systems**

TO: Assistant Inspector General for Auditing

FROM: Assistant Administrator for Internal Controls and Management Systems

SUBJECT: Draft Memorandum on Post-Closure Follow-Up Review for Audit Recommendations Closed During Fiscal Years 2001-2005 (Assignment No. Q-06-005-00)

Thank you for the opportunity to review and comment on your "Draft Memorandum on Post-Closure Follow-Up Review for Audit Recommendations Closed During Fiscal Years 2001-2005" (Assignment No. Q-06-005-00), dated April 24, 2007. This consolidated response incorporates consideration of your findings and recommendations from the Office of Internal Controls and Management Systems, Office of Procurement, and the Johnson Space Center (JSC).

Your draft memorandum concludes that NASA's program of audit follow-up is, generally, in compliance with applicable provisions of OMB Circular A-50, "Audit Follow-up," and makes the following recommendations:

Recommendation 1: *We recommend that the Assistant Administrator for Infrastructure and Administration conduct periodic assessments of OIG recommendations and NASA's corrective actions to ensure actions were implemented and to identify trends and system-wide problems and recommend solutions.*

Management's Response: We concur with the OIG's recommendation to conduct periodic assessments of OIG audit recommendations and related corrective action (including a determination of trends and system-wide problems), and have taken the following actions to implement an on-going Post-Closure Follow-up Review (PCFR) process as part of NASA's integrated internal control framework:

- In June 2006, the Management Systems Division issued NPD 9910.1, "Government Accountability Office / NASA Office of Inspector General Audit Liaison, Resolution, and Follow-up." This NPD includes a provision to perform "periodic assessments of recommendations and corrective action to identify trends or system-wide problems and to recommend solutions" (See Enclosure 1).

- In September 2006, the Management Systems Division issued final report number MSD-06-001, communicating the results of its initial Post-Closure Follow-up Review (PCFR). While our review did not support an overall conclusion as to the effectiveness and efficiency of NASA's audit follow-up system, it did conclude that, with respect to the sample item reviewed, NASA's audit follow-up system ensured the efficient, prompt, and proper resolution and implementation of corrective action consistent with OMB Circular A-50 (See Enclosure 2).
- In March 2007, the Management Systems Division was reconstituted as the Office of Internal Controls and Management Systems (OICMS). As a result of its initial staffing and budget review, OICMS plans to conduct one PCFR prior to September 30, 2007. In addition, OICMS plans to conduct PCFRs in FY 2008 and beyond as part of NASA's integrated internal control framework. To ensure adequate resources for the performance of PCFRs, OICMS has reassigned one staff member to assist in the performance the FY 2007 PCFR, and we have tentatively approved funding for contractor support for future review cycles.

Please note that in March 2007, responsibility for NASA's audit liaison, resolution, and follow-up program was transferred from the Office of Infrastructure and Administration to the Office of Internal Controls and Management Systems. An update to NPD 9910.1 documenting this transfer of responsibility will be made upon approval of pending changes to NPD 1000.3C, NASA Organization.

Based on the actions already taken and those planned by OICMS, we request closure of this recommendation.

Recommendation 2: *We recommend that the Director, Johnson Space Center, ensure that contracting officer's technical representatives attend training on the new technology reporting requirements and annual refresher training.*

Management's Response: We concur with the intent of the recommendation. The audit recommendation reviewed (recommendation 12 from OIG report number IG-03-006, dated February 12, 2003) was to train new technology representatives and Contracting Officer Technical Representatives (COTRs) on new technology reporting requirements. The requirement for new technology training was incorporated into JSC's COTR training (as acknowledged in the OIG's final report), and has been included in each subsequent COTR training session provided (See Enclosure 3).

JSC is aware of the requirement for COTR refresher training, and recent ISO audits and Procurement Management Surveys have generally found JSC to be in compliance with Agency and Center procurement regulations in this area. However, we are evaluating improvements to our internal processes to ensure that not only is the training requirement met (which we think it is, for the large majority of the COTRs), but that our documentation makes it easier to demonstrate our

compliance. We have named a process improvement team to recommend further enhancements to our tracking and recordkeeping in this area, as well.

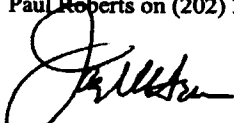
JSC takes implementation of audit recommendations very seriously. Based on the above information, we have determined that continuing implementation of this audit recommendation is being properly monitored and satisfactorily accomplished. As a result, we request closure of recommendation number 2 of this draft memorandum.

Recommendation 3: *We recommend that the Assistant Administrator for Procurement ensure that the contracting officer's technical representatives at Headquarters attend refresher training.*

Management's Response: We concur with the recommendation that the Assistant Administrator for Procurement ensure that the contracting officer's technical representatives (COTRs) at Headquarters attend refresher training.

NASA FAR Supplement (NFS) 1842.270 (f)(2) requires that COTRs attend refresher training if it has been more than five years since they received comprehensive training. We are working to notify all personnel that have not completed refresher training within the past 5 years, and are currently serving as Headquarters COTRs. The notification will remind the COTRs of the requirement and explain how to register for the upcoming classes. Additionally, we intend to establish a process during the upcoming months, but not later than the end of calendar year 2007 to ensure that individual notifications are sent to COTRs in need of the refresher training. COTRs will be given a reasonable amount of time to complete the refresher training or their delegation will be terminated and a trained COTR will be appointed. In addition, we will revise the NFS policy to make it clearer that refresher training is required on a continuing five-year cycle as long as an individual remains a COTR.

Again, thank you for the opportunity to review and comment on the subject draft memorandum. If you have any questions regarding this response, please contact Paul Roberts on (202) 358-2260.



Jay Henn

3 Enclosures

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cc:
Associate Administrator for Institutions and Management
Acting Assistant Administrator for Procurement
Assistant Administrator for Security and Program Protection
Director, Goddard Space Flight Center
Director, Lyndon B. Johnson Space Center
Director, John F. Kennedy Space Center