

internal controls. The primary objectives of this evaluation are to ensure that resources are safeguarded against waste, loss and misuse, and that resources are used consistent with LSC regulations and grant conditions.

### II-3. Assessing Compliance With Laws and Regulations

The requirements set out in the Compliance Supplement (Appendix A) are those which could have a material impact on the LSC program. Accordingly, examination of these compliance requirements are part of the audit. As stated in Section I-1 of this Guide, Congress increased the restrictions and prohibitions on the types of activities in which recipients may engage. In addition, there are special requirements for the recipient and auditor to report to the OIG on noncompliance with laws and regulations. The failure of a recipient to comply with the practice restrictions contained in the Compliance Supplement may affect the recipient's eligibility for LSC funding.

The Compliance Supplement specifies the objectives and provides suggested procedures to be considered in the auditor's assessment of a recipient's compliance with laws and regulations. The suggested procedures can be used to test for compliance with laws and regulations, as well as to evaluate the related controls. Auditors should use professional judgement to decide which procedures to apply, and the extent to which reviews and tests should be performed. Auditors are required to select and test a representative number of transactions. Some procedures require a review and evaluation of internal controls. If the reviews and evaluations were performed as part of the internal control structure review, audit procedures should be modified to avoid duplication. Auditors should also refer to the grant agreements for additional requirements.

In certain cases, noncompliance may result in questioned costs. Auditors are to ensure that sufficient information is obtained to support the amounts questioned. Working papers should adequately document the basis for any questioned costs and the amounts reported.

### II-4. Audit Follow-Up

Consistent with GAS paragraph 4.10, the auditor is required to follow-up on known material findings and recommendations from previous audits that could affect the financial statement audit and, in this case, the program. The objective is to determine whether timely and appropriate corrective action has

been taken. Auditors are required to report the status of uncorrected material findings and recommendations from prior audits. These requirements are also applicable to findings and recommendations issued in a management letter.

### III. Audit Reporting Requirements

#### III-1. Audit Reports and Distribution

IPAs should follow the requirements of GAS, OMB Circular A-133, Statement on Auditing Standards (SAS) 74 and Statement of Position (SOP) 92-9 (and any revisions thereto) for guidance on the form and content of reports. The OMB Circular A-133 reports must reference the LSC Audit Guide and Compliance Supplement. In addition to the reports required under OMB Circular A-133, IPAs are required to submit a Summary Findings Form on Noncompliance with Laws and Regulations, Questioned Costs and Reportable Conditions (Appendix D). Three copies of the audit reports, Summary Findings Form on Noncompliance with Laws and Regulations, Questioned Costs and Reportable Conditions and the management letter, where applicable, are to be submitted to the LSC OIG within 90 days of the recipient's year end.

#### III-2. Extension Requests for Audit Submissions

Under exceptional circumstances, an extension of the 90-day requirement may be granted. Requests for extensions must be in writing, and directed to the Office of Inspector General. Extension requests must be made at least two (2) weeks prior to the date the audits are due, and will only be granted for unforeseen, extraordinary and compelling reasons. All other requests will be denied.

#### III-3. Views of Responsible Officials

Consistent with GAS paragraph 7.38, auditors are encouraged to report the views of responsible program officials concerning the auditors' findings, conclusions, and recommendations, as well as corrections planned, where practical.

### IV. Reference Materials

A. Title X—Legal Services Corporation Act of 1974, 42 USC 2996, to 2996.I.

B. 45 Code of Federal Regulations Part 1600 to 1642.

C. Government Auditing Standards, issued by the Comptroller General of the United States, 1994 Revision.

D. OMB Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Institutions.

E. AICPA Professional Standards, Volume I.

F. AICPA Integrated Practice System, Not-For-Profit Organizations Audit Manual.

G. Practitioners Publishing Company Guide to Audits of Nonprofit Organizations, Seventh Edition (June 1994).

H. AICPA Statement of Position (SOP) 92-9, Audits of Not-For-Profit Organizations Receiving Federal Awards, December 28, 1992.

I. Pursuant to LSC Regulations, 45 C.F.R. 1630.4(g):

The Circulars of the Office of Management and Budget shall provide guidance for all allowable cost questions arising under this part when relevant policies or criteria therein are not inconsistent with the provisions of the Act, applicable appropriations acts, this part, the Audit and Accounting Guide for Recipients and Auditors, and Corporation rules, regulations, guidelines, and instructions.

Among the OMB Circulars which should be referred to if not inconsistent with LSC policies are:

Office of Management and Budget (OMB) Circular A-50, Audit Follow-up.

OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations.

OMB Circular A-122, Cost Principles for Nonprofit Organizations.

OMB Circular A-123, Internal Control Systems.

OMB Circular A-127, Financial Management Systems.

Dated: August 7, 1996.

Victor M. Fortunato,

*General Counsel.*

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BILLING CODE 7050-01-P

## NATIONAL TRANSPORTATION SAFETY BOARD

### Sunshine Act Meeting

**TIME AND DATE:** 10:00 a.m., Tuesday, August 20, 1996.

**PLACE:** The Board Room, 5th Floor, 490 L'Enfant Plaza, SW., Washington, DC 20594.

**STATUS:** Closed to the public under Exemption 10 of the Government in Sunshine Act.

### MATTERS TO BE CONSIDERED:

6700 Opinion and Order: Administrator v. Buckel, Docket SE-14129; disposition of the Administrator's appeal.

6718 Opinion and Order: Administrator v. Alessi, Docket SE-13930; disposition of cross appeals.

**NEWS MEDIA CONTACT:** Telephone: (202) 382-0660.

**FOR MORE INFORMATION CONTACT:** Bea Hardesty, (202) 382-6525.

Dated: August 9, 1996.

Bea Hardesty,

*Federal Register Liaison Officer.*

[FR Doc. 96-20695 Filed 8-9-96; 12:14 pm]

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## NUCLEAR REGULATORY COMMISSION

[Docket No. 040-8027]

### Notice of Environmental Assessment and Finding of No Significant Impact Related to Amendment of Materials License No. SUB-1010 For the Sequoyah Fuels Corporation, Gore, Oklahoma

**AGENCY:** Nuclear Regulatory Commission.

The U.S. Nuclear Regulatory Commission is considering a license amendment request, submitted by the Sequoyah Fuels Corporation (SFC). The proposed action is to abandon certain groundwater monitoring wells at SFC's Gore, Oklahoma, facility, and to replace these groundwater monitoring points, specified in the license, with existing wells of better construction that produce more reliable data.

#### Summary of the Environmental Assessment

By license amendment application dated October 3, 1994, SFC requested changes to the license for its Sequoyah facility at Gore, Oklahoma. This amendment to the license is needed to implement the well plugging and abandonment described in Section 8 of the Groundwater Monitoring Interim Measures (GMIM) Workplan approved by the U.S. Environmental Protection Agency (EPA) on December 15, 1993, under the Administrative Order on Consent (AOC) signed August 3, 1993. This license amendment request was revised by the licensee by letter dated February 9, 1996, in response to staff comments dated December 8, 1995.

The proposed action is necessary so that SFC can permanently abandon, and remove from the license, 35 groundwater monitoring wells that may not provide reliable information and may serve as a conduit for the movement of contaminants between groundwater zones. These wells will be replaced in the license with 24 more recently installed, better constructed

wells. This action is intended to reduce the potential for contamination between groundwater zones at the SFC site and provide for the monitoring of groundwater wells that yield more reliable data.

None of the wells proposed to be plugged are in areas of current uranium contamination in the groundwater. Therefore, it is not expected that the plugging operation will result in the generation of contaminated material or effluents. However, the GMIM Workplan states that all material removed from each hole will be managed in compliance with all State and Federal regulations and facility procedures. SFC is expected to follow its environmental and radiation protection programs for the removal and plugging of the wells described in the amendment request.

The environmental impact associated with the preferred alternative is minimal. The well abandonment procedure is similar to installing a new well. There is the generation of soil, well cuttings, and old well casing. If none of this material is impacted by radioactive or hazardous substances, the material removed from the wells can be handled as solid waste. As stated previously, the GMIM Workplan states that all material removed from the abandoned wells will be managed in compliance with all State and Federal regulations and facility procedures. Therefore, if the licensee determines that the material removed from any of the boreholes is contaminated with radioactivity, above the action levels in the license, the material must be handled and disposed of in accordance with NRC regulations and SFC's license. In addition, the GMIM Workplan is being implemented under an AOC that the licensee has with EPA. Therefore, material removed from the abandoned wells that is contaminated with hazardous constituents will be handled in accordance with EPA regulations.

The removal of these old wells from service and plugging of the boreholes may have a positive impact on the environment if, because of poor construction, the old wells could serve as potential pathways for migration of contaminants between groundwater zones. The NRC staff believes that the proposed replacement wells will provide an acceptable level of groundwater monitoring capability based on well location and depth in relation to known and potential sources of groundwater contamination.

The NRC staff identified alternatives other than the preferred alternative of abandonment and replacement of the identified groundwater monitoring

wells. The alternatives are as follows: (1) No action; (2) abandonment with no replacement; and (3) no abandonment but with replacement. None of the alternatives meet the dual purpose of the preferred alternative of replacing unreliable monitoring points with more reliable ones and reducing the possibility for migration of contaminants between groundwater zones through the old well boreholes. Therefore, the staff believes that the proposed alternative provides the optimum level of protection of the environment, among the various alternatives.

Based on evaluation of SFC's well abandonment and replacement plan, NRC staff determined that SFC's proposal complies with NRC's regulations, and that authorizing the license amendment would not be a major Federal action significantly affecting the quality of the human environment. The NRC staff concludes that a finding of no significant impact is justified and appropriate and that an environmental impact statement is not required. Notice of consideration of this amendment request and opportunity for hearing was published in the Federal Register (59 FR 55716, November 8, 1994). No hearing was requested.

#### Finding of No Significant Impact

Based on the findings in the environmental assessment, the NRC staff has determined that, under the National Environmental Policy Act of 1969, as amended, and NRC's regulations in 10 CFR Part 51, authorizing this license amendment would not be a major Federal action significantly affecting the quality of the human environment, and therefore an environmental impact statement is not required. The NRC staff concludes that a finding of no significant impact is justified and appropriate.

#### Further Information

For additional information with respect to the proposed action, see the licensee's request for license amendment dated October 3, 1994, and supplementary information, the safety evaluation report, and the environmental assessment which are available for inspection at the NRC's Public Document Room, 2120 L Street NW, Washington, DC.

For further information, contact James Shepherd, Division of Waste Management, USNRC, Mailstop T-7F27, Washington, DC 20555-0001, Telephone: (301) 415-6712.

Dated at Rockville, Maryland, this 6th day of August 1996.