

March 9, 2006

MEMORANDUM TO: Luis A. Reyes
Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S
INTEGRATED PERSONNEL SECURITY SYSTEM
(OIG-06-A-06)

REFERENCE: DEPUTY EXECUTIVE DIRECTOR FOR INFORMATION
SERVICES AND ADMINISTRATION, AND CHIEF
INFORMATION OFFICER, OFFICE OF THE EXECUTIVE
DIRECTOR FOR OPERATIONS, MEMORANDUM DATED
FEBRUARY 15, 2006

Attached is the Office of the Inspector General (OIG) analysis and status of recommendations as discussed in the agency's response dated February 15, 2006. Based on this response, recommendations 1 and 11 are closed. Recommendations 2 through 10 and 12 through 17 are in a resolved status. Please provide an updated status of the resolved recommendation by September 15, 2006.

If you have questions or concerns, please call me at 415-5915.

Attachment: As stated

cc: W. Dean, OEDO
M. Malloy, OEDO
P. Tressler, OEDO

Document Location: G:\Audit\06-A-06\follow up\response 021506.doc

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Audit Report
Audit of NRC's Integrated Personnel Security System
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Status of Recommendations

Recommendation 1: Assign an Office of Information Systems project manager to work closely with DFS for the remainder of the IPSS development process.

Response Dated
February 15, 2006:

Agree. The Office of Information Systems (OIS) has assigned a project manager to work closely with ADM for the remainder of the IPSS development process.

OIG Analysis:

The corrective action addresses the intent of OIG's recommendation. Recommendation 1 is closed.

Status:

Closed.

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Status of Recommendations

Recommendation 2: Correct the reinvestigations notification report so that all overdue cases are identified and submitted for reinvestigation.

Response Dated
February 15, 2006:

Agree. On December 29, 2005, ADM modified the stored procedure to update the notifications web page within IPSS to retrieve all required reinvestigation for all clearances and accesses. We will verify that the stored procedure is producing accurate notifications through our quality control approach developed in response to Recommendation No. 8.

OIG Analysis:

The corrective action plan addresses the intent of OIG's recommendation. Recommendation 2 will be closed once OIG has received confirmation that the notifications page is producing accurate notifications.

Status:

Resolved.

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Status of Recommendations

Recommendation 3: Develop and implement a consolidated data entry guide for IPSS users and update it every 6 months or as needed.

Response Dated
February 15, 2006:

Agree. NRC will update and implement the current IPSS users' guide with the latest procedures, based on the modifications completed by LMIT, by March 30, 2007. ADM will review this user's guide every six months or within three months after major system modifications are completed, whichever comes first, to determine if updates are needed.

OIG Analysis:

The corrective action plan addresses the intent of OIG's recommendation. Recommendation 3 will be closed once OIG has received copies of the updated users' guide and office procedures detailing the plan for periodic updates to the guidance.

Note: OIG cautions that because of the time needed to develop a comprehensive data entry guide and because new information is entered into IPSS on a daily basis, interim guidance should be provided to users to ensure consistent data entry within IPSS. This interim guidance should be updated to incorporate any changes made to IPSS as part of the ongoing system development process.

Status:

Resolved.

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Status of Recommendations

Recommendation 4: Review and correct the most recent reinvestigation dates within IPSS.

Response Dated
February 15, 2006:

Agree. The most recent reinvestigation dates will be reviewed and corrected within IPSS by March 30, 2007. This will require acquiring contract support to retrieve, review, and validate approximately 8,000 files.

OIG Analysis:

The corrective action plan addresses the intent of OIG's recommendation. Recommendation 4 will be closed once OIG has received evidence that the reinvestigations dates have been corrected.

Status:

Resolved.

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Status of Recommendations

Recommendation 5: Change IPSS to eliminate the requirement to duplicate clearance data within the system.

Response Dated
February 15, 2006:

Agree. It is anticipated that this requirement will be eliminated as part of the modifications to be completed by LMIT by December 29, 2006.

OIG Analysis:

The corrective action plan addresses the intent of OIG's recommendation. Recommendation 5 will be closed once OIG has received evidence that the requirement has been eliminated.

Status:

Resolved.

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Status of Recommendations

Recommendation 6: Eliminate data that was purposely duplicated as a workaround in IPSS records for individuals with a clearance.

Response Dated
February 15, 2006:

Agree. NRC will delete the duplicated data once the effort identified in our response to Recommendation No. 5 above is completed. The presence of this duplicated data in IPSS is not detrimental to its functionality.

OIG Analysis:

The corrective action plan addresses the intent of OIG's recommendation. Recommendation 6 will be closed once OIG has received evidence that the duplicated data has been eliminated.

Status:

Resolved.

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Status of Recommendations

Recommendation 7: Perform a top-to-bottom cleanup effort of every active file; support this effort with clear written guidance as to what data goes in what field.

Response Dated
February 15, 2006:

Agree. NRC will develop clear written guidance as to what information goes in each field by March 31, 2006. The top-to-bottom cleanup effort is anticipated to be completed by March 30, 2007, in conjunction with contract support specified in the response to Recommendation No. 4.

OIG Analysis:

The corrective action plan addresses the intent of OIG's recommendation. OIG cautions that because guidance to support the cleanup effort will be developed a year before the cleanup is complete, it will be necessary to incorporate all changes to IPSS, as part of the ongoing system development process, into this guidance. Recommendation 7 will be closed once OIG has received a copy of all versions of the guidance used to support the top-to-bottom review and evidence that top-to-bottom review has been performed.

Status:

Resolved.

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Status of Recommendations

Recommendation 8: Develop and implement an overall quality control approach to ensure continued data accuracy.

Response Dated
February 15, 2006:

Agree. NRC will develop and implement an overall quality control approach.

OIG Analysis:

The corrective action plan addresses the intent of OIG's recommendation. Recommendation 8 will be closed once OIG has received documentation describing the quality control approach and its implementation.

Status:

Resolved.

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Status of Recommendations

Recommendation 9: Fix the planned controls to prevent incorrect badge issuance and incorrect clearance assignment.

Response Dated
February 15, 2006:

Agree. Planned controls to prevent incorrect badge issuance and incorrect clearance assignment will be incorporated into the modifications completed by LMIT.

OIG Analysis:

The corrective action plan addresses the intent of OIG's recommendation. Recommendation 9 will be closed once OIG has received evidence that controls have been implemented to prevent incorrect badge issuance and incorrect clearance assignment.

Status:

Resolved.

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Status of Recommendations

<u>Recommendation 10:</u>	Add date logic controls to ensure that IPM investigation dates follow in logical chronological order.
Response Dated February 15, 2006:	Agree. This functionality will be included in the modifications to be completed by LMIT.
OIG Analysis:	The corrective action plan addresses the intent of OIG's recommendation. Recommendation 10 will be closed once OIG has received evidence that date logic controls have been implemented within IPSS.
Status:	Resolved.

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Status of Recommendations

Recommendation 11: Redefine IPSS user roles in accordance with least privilege requirements.

Response Dated
February 15, 2006: Agree. NRC completed the redefinition of IPSS user roles in accordance with least privilege requirements.

OIG Analysis: The corrective action addresses the intent of OIG's recommendation. Recommendation 11 is closed.

Status: Closed.

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Status of Recommendations

Recommendation 12: Review role assignments annually and make appropriate adjustments.

Response Dated
February 15, 2006: Agree. NRC reviewed role assignments for IPSS users. As a result, adjustments were made to the assignments for a security officer and for contract personnel security processors to eliminate roles that were not appropriate for their job duties.

OIG Analysis: The corrective action plan addresses the intent of OIG's recommendation. Recommendation 12 will be closed once OIG has received evidence that the review of role assignments has been added to office procedures.

Status: Resolved.

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Status of Recommendations

Recommendation 13: Add audit trail capabilities to IPSS.

Response Dated
February 15, 2006: Agree. PEC informed ADM that the current version of IPSS would be slowed down to the point of impacting functionality if the audit trail logs were turned on. ADM will request that LMIT assess the impact of this action and complete the actions required to add audit trail capabilities to IPSS.

OIG Analysis: The corrective action plan addresses the intent of OIG's recommendation. Recommendation 13 will be closed once OIG has received evidence that audit trails have been added to IPSS.

Status: Resolved.

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Status of Recommendations

Recommendation 14: Review audit trail reports monthly to ensure appropriate use of IPSS.

Response Dated
February 15, 2006: Agree. After the audit trail capability described in Recommendation No. 13 is activated, NRC will begin reviewing audit trail reports on a monthly basis to ensure appropriate use of IPSS.

OIG Analysis: The corrective action plan addresses the intent of OIG's recommendation. Recommendation 14 will be closed once OIG has received evidence that review of audit trail reports has been implemented and added to office procedures.

Status: Resolved.

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Status of Recommendations

<u>Recommendation 15:</u>	Require future IPSS users to sign an integrity statement before being granted access to the system. Also require existing users to sign an integrity statement.
Response Dated February 15, 2006:	Agree. All new IPSS users will sign a "Notification of Responsibility to Protect Privacy Act Information" prior to being granted access to the system. Existing users will also be required to sign this notice.
OIG Analysis:	The corrective action plan addresses the intent of OIG's recommendation. Recommendation 15 will be closed once OIG has received evidence that the requirement for all new users will sign this integrity statement has been added to office procedures and that all existing IPSS users have signed the required statement.
Status:	Resolved.

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Status of Recommendations

<u>Recommendation 16:</u>	Develop a records disposition schedule for IPSS and incorporate it into DFS procedures and the IPSS users manual.
Response Dated February 15, 2006:	In NRC's review of this recommendation, NRC learned that NUREG-0910, entitled "NRC Comprehensive Records Disposition Schedule," page 2.1.1, has an authorized disposition schedule for the Central Personnel Clearance Index (CPCI). Since IPSS replaced the CPCI, NRC will work to revise Schedule 2 to delete CPCI, add IPSS, and ensure the disposition schedule is appropriate for IPSS.
OIG Analysis:	The corrective action plan addresses the intent of OIG's recommendation. Recommendation 16 will be closed once OIG has received documentation that the records disposition schedule has been incorporated into DFS procedures and the IPSS users manual.
Status:	Resolved.

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Status of Recommendations

<u>Recommendation 17:</u>	Conduct a cost-benefit analysis to determine whether the agency should continue to develop IPSS versus replacing the system. As part of the cost-benefit analysis consider current Federal personnel security requirements.
Response Dated February 15, 2006:	Agree. NRC will conduct a cost-benefit analysis to determine whether the agency should continue to develop IPSS versus replacing the system. It is anticipated that this effort will be conducted concurrently with the planning and implementation of Homeland Security Presidential Directive 12, Part II.
OIG Analysis:	The corrective action plan addresses the intent of OIG's recommendation. Recommendation 17 will be closed once OIG has received evidence that a cost-benefit analysis has been performed.
Status:	Resolved.