November 9, 2005

MEMORANDUM TO: Luis A. Reyes
Executive Director for Operations

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

SUBJECT: SYSTEM EVALUATION OF LISTED SYSTEMS THAT PROCESS SAFEGUARDS AND/OR CLASSIFIED INFORMATION (OIG-05-A-14)

REFERENCE: DIRECTOR, OFFICE OF INFORMATION SERVICES MEMORANDUM DATED SEPTEMBER 19, 2005

Attached is the Office of the Inspector General's analysis and status of the resolved recommendations as discussed in the agency's response dated September 19, 2005. Recommendations 1 through 10 are resolved. Please provide an updated status of the resolved recommendations by March 20, 2006.

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

Attachment: As stated

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

SYSTEM EVALUATION OF LISTED SYSTEMS THAT PROCESS SAFEGUARDS AND/OR CLASSIFIED INFORMATION (OIG-05-A-14)

Status of Recommendations

Recommendation 1:	Correct the inaccuracies in the inventory of listed systems.
Response Dated September 19, 2005:	Agree. The Senior IT Security Officer (SITSO) will send a memo out to each NRC office that details the current listed system information known for the office. The memo will request current information on all listed systems owned by the office and will provide information on the process to accredit the systems. The inventory will be updated with this current information. Completion date: January 31, 2006. ACTION: SITSO and All NRC Offices
OIG Response:	The proposed corrective action addresses the intent of this recommendation. This recommendation will be closed when OIG receives notification and verifies the inventory of listed systems has been updated and is accurate.
Status:	Resolved.

SYSTEM EVALUATION OF LISTED SYSTEMS THAT PROCESS SAFEGUARDS AND/OR CLASSIFIED INFORMATION (OIG-05-A-14)

Status of Recommendations

Recommendation 2:	Validate the inventory of listed systems annually.
Response Dated September 19, 2005:	Agree. The SITSO will send a memo out to each NRC office annually that details the current listed system information known for the office. The memo will request current information on all listed systems owned by the office and will provide information on the process to accredit the systems. The inventory will be kept up to date annually. Completion date: January 31, 2006. ACTION: SITSO and All NRC Offices
OIG Response:	The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and validates the accredited inventory of listed systems.
Status:	Resolved.

SYSTEM EVALUATION OF LISTED SYSTEMS THAT PROCESS SAFEGUARDS AND/OR CLASSIFIED INFORMATION (OIG-05-A-14)

Status of Recommendations

Recommendation 3:	Develop procedures for notifying OIS of changes in system information for listed systems on the inventory.
Response Dated September 19, 2005:	Agree. OIS will develop procedures for certification and accreditation of listed systems. System owners will be required to notify the SITSO in writing of any major changes in systems information of listed systems and system information will be required to be updated annually. Completion date: March 1, 2006. ACTION: OIS
OIG Response:	The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and evaluates the developed procedures for certification and accreditation of listed systems.
Status:	Resolved.

SYSTEM EVALUATION OF LISTED SYSTEMS THAT PROCESS SAFEGUARDS AND/OR CLASSIFIED INFORMATION (OIG-05-A-14)

Status of Recommendations

Recommendation 4:	Develop procedures for recording inventory information for listed systems that are composed of multiple components.
Response Dated September 19, 2005:	Agree. The information system security tracking database will be modified to handle multiple components of a listed system. When a listed system is comprised of multiple components, the system will be given a name and each of the components will be treated as a subsystem. Procedures will be developed to ensure listed systems are recorded appropriately. Completion date: March 1, 2006. ACTION: OIS
OIG Response:	The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and evaluates the procedures for recording inventory information for listed systems that are composed of multiple components.
Status:	Resolved.

SYSTEM EVALUATION OF LISTED SYSTEMS THAT PROCESS SAFEGUARDS AND/OR CLASSIFIED INFORMATION (OIG-05-A-14)

Status of Recommendations

Recommendation 5:	Develop procedures for ensuring all listed systems have an up-to-date, approved security plan prior to being put into operation.
Response Dated September 19, 2005:	Agree. OIS will develop procedures for certification and accreditation of listed systems that ensure all listed systems have an up-to-date, approved security plan prior to being put into production. Completion date: March 31, 2006. ACTION: OIS
OIG Response:	The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and evaluates the procedures for the updated and approved security plan for the listed systems.
Status:	Resolved.

SYSTEM EVALUATION OF LISTED SYSTEMS THAT PROCESS SAFEGUARDS AND/OR CLASSIFIED INFORMATION (OIG-05-A-14)

Status of Recommendations

Recommendation 6:	Develop procedures for ensuring system owners/sponsors respond to OIS requests for security plan updates in a timely manner.
Response Dated September 19, 2005:	Agree. A procedure will be developed to ensure that an EDO ticket is issued to each NRC office annually requiring the office to provide security plan updates for each listed system processing safeguards and/or classified information by December 31 of that year. Completion date: March 1, 2006. ACTION: OIS
OIG Response:	The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and evaluates procedures ensuring system owners/sponsors respond to OIS requests for security plan updates in a timely manner.
Status:	Resolved.

SYSTEM EVALUATION OF LISTED SYSTEMS THAT PROCESS SAFEGUARDS AND/OR CLASSIFIED INFORMATION (OIG-05-A-14)

Status of Recommendations

Recommendation 7:	Develop procedures for verifying all required security controls are implemented on listed systems.
Response Dated September 19, 2005:	Agree. OIS will develop procedures for verifying all required security controls are implemented on listed systems. Completion date: May 1, 2006. ACTION: OIS
OIG Response:	The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and evaluates the procedures for verifying the implementation of required security controls on listed systems.
Status:	Resolved.

SYSTEM EVALUATION OF LISTED SYSTEMS THAT PROCESS SAFEGUARDS AND/OR CLASSIFIED INFORMATION (OIG-05-A-14)

Status of Recommendations

Recommendation 8:	Require listed systems that process safeguards and/or classified information to use operating systems that support the implementation of required security controls.
Response Dated September 19, 2005:	Agree. System accreditation will not be granted to listed systems that process safeguards or classified information with operating systems that do not support the implementation of required security controls. OIS will send a memo out to each NRC office notifying them of this requirement. Completion date: March 1, 2006. ACTION: OIS and All NRC Offices
OIG Response:	The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and evaluates the operating systems that support the implementation of required security controls for listed systems that process safeguards and/or classified information.
Status:	Resolved.

SYSTEM EVALUATION OF LISTED SYSTEMS THAT PROCESS SAFEGUARDS AND/OR CLASSIFIED INFORMATION (OIG-05-A-14)

Status of Recommendations

Recommendation 9:	Require security plans to include documentation approving any exceptions to the required security controls.
Response Dated September 19, 2005:	Agree. OIS system certification and accreditation procedures for listed systems that process safeguards and/or classified information will provide a mechanism for system owners to identify all exceptions to the required security controls. Listed system accreditation memoranda from the designated approving authority will specifically address and either approve or disapprove the exceptions to the required security controls. Completion date: January 31, 2006. ACTION: OIS
OIG Response:	The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and evaluates the implemented mechanism requiring system owners to identify and document approved exceptions to the required security controls.
Status:	Resolved.

SYSTEM EVALUATION OF LISTED SYSTEMS THAT PROCESS SAFEGUARDS AND/OR CLASSIFIED INFORMATION (OIG-05-A-14)

Status of Recommendations

Recommendation 10:	Modify the security plan template for listed systems that process safeguards and/or classified information to require warning banners and password changes at specified time intervals.
Response Dated September 19, 2005:	Agree. The security plan template for listed systems that process safeguards and/or classified information will be modified to require warning banners and password changes at specified time intervals. Completion date: December 31, 2005. ACTION: OIS
OIG Response:	The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and evaluates the security plan template for listed systems processing safeguards and/or classified information to include requiring warning banners and password changes at specified time intervals.
Status:	Resolved.