



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

**OFFICE OF THE
INSPECTOR GENERAL**

March 4, 2013

MEMORANDUM TO: R. W. Borchardt
Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S
USE OF CONFIRMATORY ACTION LETTERS
(OIG-12-A-09)

REFERENCE: DIRECTOR, OFFICE OF ENFORCEMENT,
MEMORANDUM DATED JANUARY 10, 2013

Attached is the Office of the Inspector General's (OIG) analysis and status of the recommendations as discussed in the agency's response dated January 10, 2013. Based on this response, recommendations 1 and 4 are closed and recommendations 2 and 3 remain in resolved status. Please provide an updated status on these recommendations by September 6, 2013.

If you have any questions or concerns, please call me at 415-5915 or RK Wild, Team Leader, at 415-5948.

Attachment: As stated

cc: N. Mamish, OEDO
K. Brock, OEDO
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Audit Report

AUDIT OF NRC'S USE OF CONFIRMATORY ACTION LETTERS

OIG-12-A-09

Status of Recommendations

Recommendation 1: Designate a centralized control point to oversee and implement an effective agencywide CAL process.

Agency Response

Dated January 10, 2013: On December 20, 2012, the Office of Enforcement (OE) revised the confirmatory action letter (CAL) section of the NRC Enforcement Manual (Manual) (Agencywide Documents Access and Management System (ADAMS) Accession No. ML102630150). Incorporated in this revision, is section 3.5.2, which outlines office/regional CAL responsibilities. Specifically, it identifies OE as the agency's centralized control point for oversight and implementation of an effective CAL process and outlines OE's responsibilities to fulfill this role.

OIG Analysis: OIG reviewed the CAL section of the Manual and verified that the agency has designated a centralized control point to oversee and implement an effective agencywide CAL process. The action addresses the intent of OIG's recommendation; this recommendation is therefore considered closed.

Status: Closed.

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Status of Recommendations

Recommendation 2: Assess and update the *NRC Enforcement Policy*, the *NRC Enforcement Manual*, and other associated guidance to ensure that NRC's approach for utilizing CALs is consistent, effective, and efficient.

Agency Response

Dated January 10, 2013: Once a draft revision to the Manual was agreed upon by the regions and offices, OE requested that each affected office/region update their Office Instructions and/or Inspection Guidance procedures via a memorandum from the OE director (ML12205A344). The table below identifies the affected office/region and its revised documents.

Region/Office	ADAMS ML
RI	ML110680202
RII	ML12279A152
RIII	ML102630150
RIV	ML12331A308
NRR	ML12200A080
NRO	ML12319A061
NMSS	ML12354A377
FSME	ML102630150

Note: All the regions/offices use the Manual for general CAL guidance, Region III and FSME do not rely on a specific office instruction for CAL implementation.

The glossary (section 7.0) of the NRC Enforcement Policy (Policy) (ML12132A394) will also be revised to incorporate a change to the term Confirmatory Action Letter. However, this change will require Commission approval. This particular action has been entered in the Enforcement Guidance Document Feedback Process (#109 under "Policy") (<http://portal.nrc.gov/edo/oe/enforcement/Lists/OE%20Guidance%20Document%20Feedback/AllItems.aspx>) and will be incorporated in the next Policy revision which is expected to occur in summer of 2014.

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Status of Recommendations

Recommendation 2 (cont.):

OIG Analysis:

OIG reviewed the Manual and associated guidance and verified that the updated process for utilizing CALs addresses the intent of the recommendation. In addition, the proposed corrective action to update the policy will also address the intent of the recommendation. However, the agency needs to provide clear documentation in the next response that explains the actions planned and underway for the Policy revision and the reason for the 2014 timeframe.

This recommendation will be closed when OIG reviews and verifies that the Policy has been revised for consistent effective and efficient use of CALs.

Status:

Resolved.

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Status of Recommendations

Recommendation 3: Conduct periodic CAL audits that verify compliance with CAL policies and procedures.

Agency Response

Dated January 10, 2013: OE is currently developing an Office Instruction that will describe an auditing practice and is on track to complete the first CAL audit by the target completion date of August 31, 2013.

OIG Analysis:

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG (1) reviews the Office Instruction that will describe the CAL auditing practice and (2) verifies that the agency has implemented the process for conducting periodic CAL audits.

Status:

Resolved.

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Status of Recommendations

Recommendation 4: Implement a comprehensive, agencywide CAL tracking system.

Agency Response

Dated January 10, 2013: OE has revised the Manual to specifically state that the Enforcement Action Tracking System (EATS) is the agencywide CAL tracking system. The use of EATS should resolve the inconsistencies found in the method used for tracking CALs and the CAL numbering convention. OE also revised the EATS Quick Reference Users Guide (ML102440713) to include specific instructions for entering CAL data in EATS.

OIG Analysis:

OIG has reviewed the revision to the Manual that identifies EATS as the CAL tracking system. OIG has also reviewed the updated EATS Quick Reference Users Guide (ML102440713) that contains instructions for entering CAL data into EATS. OIG concludes that the actions taken provide evidence that the agency has implemented a comprehensive, agencywide CAL tracking system for tracking CALs in a consistent manner. Therefore, this recommendation is considered closed.

Status:

Closed.