



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

**OFFICE OF THE
INSPECTOR GENERAL**

May 6, 2013

MEMORANDUM TO: R. William Borchardt
Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S
INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE
CRITERIA (ITAAC) PROCESS (OIG-12-A-16)

REFERENCE: DIRECTOR, OFFICE OF NEW REACTORS, MEMORANDUM
DATED JANUARY 31, 2013

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the agency's response dated January 31, 2013. Based on this response, recommendations 1, 2, 3, 5, 6, and 9 are closed; recommendations 4, 7, and 8 are resolved; and recommendation 10 is unresolved. Please provide an updated status of these recommendations by July 31, 2013.

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

Attachment: As stated

cc: R. Mitchell, OEDO
K. Brock, OEDO
J. Arildsen, OEDO
C. Jaegers, OEDO

Audit Report

AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS

OIG-12-A-16

Status of Recommendations

Recommendation 1: Develop formal guidelines governing the use of Strategy Documents in the context of construction inspection.

Agency Response

Dated January 31, 2013: Actions taken and planned: Region II updated the Desktop Guide Division of Construction Projects-12, renamed "Inspection Smart Planning Desktop Guide," to include reviewing the Strategy Document associated with an ITAAC family to understand the overall strategy for inspecting that family of ITAAC prior to developing Smart Plans for that ITAAC family.

In addition, the staff revised Desktop Guide Division of Construction Inspection-01, "ITAAC Family Inspection Strategies," to include a provision for determining when updated Strategy Documents warrant a change in the associated Smart Plans for that ITAAC family.

Target date for completion: Completed.

OIG Analysis: The OIG recommendation called for the development of formal guidelines governing the use of Strategy Documents in the context of construction inspection. OIG reviewed the updated desktop guides and determined that they include formal instructions for identifying responsible points of contact (POCs) and procedures to follow for updating Strategy Documents. This recommendation is therefore considered closed.

Status: Closed.

Audit Report

AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS

OIG-12-A-16

Status of Recommendations

Recommendation 2: Specify procedures for updating Strategy Documents and communicating changes in a systematic and coordinated fashion.

Agency Response

Dated January 31, 2013: Actions taken and planned: Region II updated Desktop Guide DCI-01, "ITAAC Family Inspection Strategies," to include additional guidance on reviewing Strategy Documents for revision when initiating the development of inspection Smart Plans for an ITAAC family. Region II also added a provision to notify staff of changes to Strategy Documents once the agency has approved them and placed them on the Strategy Document SharePoint site.

Target date for completion: Completed.

OIG Analysis: OIG reviewed DCI-01 and determined that it provides revised guidance and procedures for updating Strategy Documents and communicating the changes in a systematic and coordinated fashion. This recommendation is therefore considered closed.

Status: Closed.

Audit Report

AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS

OIG-12-A-16

Status of Recommendations

Recommendation 3: Provide specific guidance for inspection of non-targeted ITAAC and clarify the specific roles and responsibilities of various stakeholders during ITAAC closure notification review.

Agency Response

Dated January 31, 2013: **3a:** Actions taken and planned: After analyzing the potential changes needed to provide guidance for inspection of non-targeted ITAAC, NRO, Division of Construction Inspection and Operational Programs (DCIP) staff elected to include the guidance only in IMC 2506 and not IMC 2503. This will ensure that the guidance appears concisely in one document instead of being unnecessarily repeated in two documents. IMC 2506 is the overall guidance and basis document for the construction inspection program. It provides guidance for all processes and procedures used for construction inspection under Title 10 of the *Code of Federal Regulations* (10 CFR) Part 52, "Licenses, Certifications, and Approvals for Nuclear Power Plants." The staff completed Revision 2 to IMC 2506 on November 19, 2012 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML12297A077).

Target date for completion: Completed.

3b: Actions taken and planned: Staff issued the NRO ITAAC closure verification OI, NRO-REG-103, "Inspections, Tests, Analyses, and Acceptance Criteria Closure Verification Process," on November 13, 2012 (ADAMS Accession No. ML12088A040). This OI defines the specific roles and responsibilities of various stakeholders for ICN reviews. As the agency continues to gain experience with ICN reviews, NRO will work with stakeholders as needed to clarify specific roles and responsibilities, and will refine the OI as needed.

Target date for completion: Completed.

Audit Report

AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS

OIG-12-A-16

Status of Recommendations

Recommendation 3 (continued):

OIG Analysis:

OIG has reviewed NRO's revisions to IMC 2506 as well as the revised NRO-REG-103. The actions meet the intent of OIG's recommendation to provide specific guidance for inspection of non-targeted ITAAC, and clarify the specific roles and responsibilities of various stakeholders during ITAAC closure notification. This recommendation is therefore considered closed.

Status:

Closed.

Audit Report

AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS

OIG-12-A-16

Status of Recommendations

Recommendation 4: Develop and deliver training for the ITAAC process based on the results of needs assessments.

Agency Response

Dated January 31, 2013: Actions taken and planned: OPM guidance for conducting needs assessments focuses on three areas: organizational, occupational, and individual needs. The development of IMC 2506 (Recommendation 3), addresses the organizational and occupational needs. OCHCO/HRTD developed the needs assessment process included in HRTD Operating Procedure (OP) 0406a, "Training Program Development Process," and has introduced it to NRO. The process mimics OPM guidance for conducting an individual needs assessment and accomplishes the same goal. Specifically, this process is based on a working group of subject matter experts soliciting responses to established questions that relate to the needs assessment purpose, information gap, and training success criteria.

Now that NRO has issued its ITAAC closure verification OI and other relevant guidance documents, NRO will implement the above process to conduct the final needs analysis.

A newly developed process called "Technology-in-Training" formalized in HRTD OP 0406a will help staff evaluate options for delivering needed training. The agency should be able to offer training materials in approximately 7 months from completion of the needs assessment (barring any changes to the program which might impact the needs analysis already accomplished).

The completion date has been modified slightly to account for the issuance of the OIs later than originally anticipated.

Target date for completion: September 30, 2013.

Audit Report

AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS

OIG-12-A-16

Status of Recommendations

Recommendation 4 (continued):

OIG Analysis:

The proposed actions continue to partially meet the intent of OIG's recommendation. OIG acknowledges the change in the completion date to September 30, 2013, and also notes that the agency recently assigned OCHCO to serve as the NRC-wide lead for developing training needs assessments. OIG suggests NRO coordinate any actions directly with OCHCO. OIG will close this recommendation upon issuance and OIG review of training needs assessment guidance for a three-stage training needs evaluation process that includes organizational, occupational, and individual assessments as outlined in existing NRC and Office of Personnel Management (OPM) guidance, as well as development and delivery of training.

Status:

Resolved.

Audit Report

AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS

OIG-12-A-16

Status of Recommendations

Recommendation 5: Designate a specific project manager for CIPIMS as required by the Project Management Methodology.

Agency Response

Dated January 31, 2013: Actions taken and planned: NRO has updated the EPM OMB 300 submission in FY2012 to reflect that the EPM project manager is also the designated CIPIMS project manager. OMB 300 investment detail section, field number five has been expanded to include project management support for the construction oversight and inspection program.

Target date for completion: Completed.

OIG Analysis:

In a meeting with NRO staff on February 11, 2013, OIG reviewed the EPM/CIPIMS OMB 300 submission, and noted that it specifically designates the EPM Project Manager as the Project Manager for CIPIMS in accordance with the recommendation. This recommendation is therefore considered closed.

Status:

Closed.

Audit Report

AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS

OIG-12-A-16

Status of Recommendations

Recommendation 6: Develop and maintain project artifacts for CIPIMS as required in the Project Management Methodology.

Agency Response

Dated January 31, 2013:

Actions taken and planned:

1. Since CIPIMS is a function of the EPM program it inherits the relevant EPM PMM artifacts. Please see ADAMS Accession No. ML13024A175 for the table that identifies artifacts developed and maintained to date for both EPM and CIPIMS (to access documents listed in the table, a request must be made through Rational.Support@nrc.gov). Rational is the agency's system of records for the PMM artifacts.
2. NRO submitted EPM's OMB 300 for fiscal year 2012 to OIS for submission to OMB.
3. On August 07, 2012, NRO completed an OIS Touch Point Control Phase Review of EPM. (See ADAMS Accession No. ML13024A170 for the briefing and minutes).

Target date for completion: Completed.

OIG Analysis:

In a meeting with NRO staff on February 11, 2013, OIG reviewed:

- CIPIMS documents dated January 24, 2013 (ML13024A175), and the document for both EPM and CIPIMS as listed in Rational, the agency's system of records for PMM artifacts.

Audit Report

AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS

OIG-12-A-16

Status of Recommendations

Recommendation 6 (continued):

- The OMB 300 for EPM for Fiscal Year 2012 (which was also reviewed for Recommendation 5).
- CIPIMS Documents dated January 24, 2013 (ML13024A170), for the evaluation of the results of the OIS EPM programmatic reviews performed to date.

Based on OIG's review of this documentation, OIG determined that the agency has developed and maintained the necessary artifacts per the recommendation. This recommendation is therefore considered closed.

Status: Closed.

Audit Report

AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS

OIG-12-A-16

Status of Recommendations

Recommendation 7: Determine what systems, structures, and components, assembled or manufactured off-site, need to be inspected prior to arrival at the construction site in support of the ITAAC closure process.

Agency Response

Dated January 31, 2013: Actions taken and planned: Region II establishes the recommended list of off-site inspections after a combined license is issued and then updates the list, as necessary, as construction progresses. Region II provides the current list to NRO, which allows the agency to coordinate resources from NRO's vendor inspection staff and Region II's construction inspection staff to support the ITAAC related inspections. On November 16, 2012, NRO revised IMC 2506 to reflect roles and responsibilities of Region II and NRO concerning inspections of ITAAC related components. Currently, NRO is reviewing the VIP plan as well as IMCs 2503, 2506, and 2507 to determine the appropriate approach for the current and future construction activities involving SSCs manufactured or assembled off-site and will update these documents as necessary.

Target date for completion: September 30, 2013.

OIG Analysis:

The proposed actions continue to meet the intent of OIG's recommendation to determine what systems, structures, and components, assembled or manufactured off-site, need to be inspected prior to arrival at the construction site in support of the ITAAC closure process. OIG will close this recommendation upon issuance and OIG determination that the Vendor Inspection Plan and IMCs 2503, 2506, and 2507 describe what systems, structures, and components, assembled or manufactured off-site, need to be inspected prior to arrival at the construction site in support of the ITAAC closure process.

Status:

Resolved.

Audit Report

AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS

OIG-12-A-16

Status of Recommendations

Recommendation 8: Develop a formal vendor inspection coordination strategy to ensure appropriate inspections of modular systems, structures, and components assembled or manufactured off-site.

Agency Response

Dated January 31, 2013: Actions taken and planned: Region II establishes the recommended list of off-site inspections after a combined license is issued and then updates the list, as necessary, as construction progresses. Region II provides the current list to NRO, which allows the agency to coordinate resources from NRO's vendor inspection staff and Region II's construction inspection staff to support the ITAAC related inspections. The coordination will be a normal activity of the weekly Region II-NRO vendor inspection teleconference concerning Vogtle Units 3 and 4 and Summer Units 2 and 3 construction activities. Staff will include the off-site inspection topic in the teleconference meeting agenda. On November 16, 2012, NRO revised IMC 2506 to reflect roles and responsibilities of Region II and NRO concerning inspections of ITAAC related components. Currently, NRO is reviewing the VIP plan as well as IMCs 2503, 2506, and 2507 to determine the appropriate approach for the current and future offsite activities and will revise these documents as necessary.

Target date for completion: September 30, 2013.

OIG Analysis:

The proposed actions meet the intent of OIG's recommendation to develop a formal vendor inspection coordination strategy to ensure appropriate inspections of modular systems, structures, and components assembled or manufactured off-site. OIG will close this recommendation upon issuance and OIG review of the revised VIP Plan and IMCs that communicate the revised guidance addressing headquarters and Region II coordination pertaining to

Audit Report

AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS

OIG-12-A-16

Status of Recommendations

Recommendation 8 (continued):

inspection of modular structures, systems, and components assembled or manufactured off-site.

Status: Resolved.

Audit Report

AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS

OIG-12-A-16

Status of Recommendations

Recommendation 9: Develop a plan to correct the existing communication and coordination problems between headquarters and Region II that resulted from a lack of a change management process for ITAAC-related issues.

Agency Response

Dated January 31, 2013: Actions taken and planned: The NRO/DCIP staff issued NRO OI NRO-COM-108, "NRO Construction Inspection Interfaces with Region II," on October 18, 2012 (ADAMS Accession No. ML113220316). The instruction defines the duties and responsibilities of the COE. NRO maintains a current list of COEs on the Construction Inspection Program SharePoint site at <http://epm.nrc.gov/inspection/cip/default.aspx>.

The NRO DCIP staff attended the Construction Inspector Counterpart Meeting in Atlanta, GA on December 12, 2012. A number of programmatic status briefs (many using the iCOM brief) were provided to the construction inspection staff. Staff maintains the iCOM on the Construction Inspection Program SharePoint site at http://epm.nrc.gov/inspection/ITAAC_DAC/roadshow/default.aspx. In addition, during the counterpart meeting, the staff participated in a construction inspection program lessons learned exercise to improve understanding and communication.

Regularly scheduled meetings between headquarter staff (DCIP, DNRL); the NRO technical divisions, and the inspection staff continue to address licensing, technical, and programmatic issues.

Following development of the iCOM in the spring of 2012, the DCIP staff has used the presentation to explain the structure and implementation of the cROP, ITAAC, and other processes to numerous internal and external audiences. The DCIP staff

Audit Report

AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS

OIG-12-A-16

Status of Recommendations

Recommendation 9 (continued):

also conducted the G-113 course, "Construction Inspection Program Overview," on November 14, 2012, using many of the slides from the iCOM.

Target date for completion: Completed.

OIG Analysis:

OIG has reviewed NRO-COM-108, which clearly identifies processes and procedures for how NRO will communicate and coordinate with Region II. Additionally, OIG has reviewed the Web site and iCOM briefings as well as the SharePoint listing of Construction Operation Engineers (COE) and determined that the actions have met the intent of OIG's recommendation. This recommendation is therefore considered closed.

Status:

Closed.

Audit Report

AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS

OIG-12-A-16

Status of Recommendations

Recommendation 10: Develop and implement a change management process to address future change in the ITAAC process that can create barriers to effective communication and coordination.

Agency Response

Dated January 31, 2013: Actions taken and planned: As stated in our original response, the staff agrees with the implementation of a change management process to address future changes in the ITAAC process that can create barriers to effective communication and coordination. There are many different approaches to change management. NRO management has received training on the principles of change management from the process known as "Leading Change" by John P. Kotter. This training was presented by Dr. Les Wallace, Ph.D., to NRO senior management on September 8, 2010. The process focuses on the eight steps to transformational change. The principles of these steps serve as a guide for the staff during the continued development and implementation of the ITAAC process.

Step 1 - Create/Articulate a Sense of Urgency

NRO used the lessons learned from the Department of Energy (DOE) ITAAC demonstration project and recognized that for each COL there could be over 800 ITAAC that would have to be closed in a very short time period. The ITAAC process includes the prioritization and subsequent inspection of the targeted ITAAC by NRC inspectors and review of the ICNs submitted by the licensees. The sense of urgency was established and the staff developed processes that would effectively plan and execute the necessary ITAAC inspections to be completed and to effectively mitigate the surge of ICNs which will be submitted during the last year of construction.

Audit Report

AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS

OIG-12-A-16

Status of Recommendations

Recommendation 10 (continued):

Step 2 - Create a Guiding Coalition

This step continues to be implemented through the close working relationship between DCIP and Region II management, which provides executive sponsorship and communicates with one voice to NRC staff regarding the importance of the ITAAC process as it has been developed. This is accomplished through routine dialogue amongst the staff, counterparts meetings, leadership presentations, and specific working groups that were established in developing the ITAAC process.

Step 3 - Develop a Vision and Strategy

As the ITAAC process has evolved, the vision and strategies for the key elements have been communicated in Commission papers and IMCs as follows:

- ITAAC prioritization for targeted inspections
 - SECY-07-0047, "Staff Approach To Verifying the Closure of Inspections, Tests, Analyses, and Acceptance Criteria (ITAAC) Through a Sample-Based Inspection Program," dated March 8, 2007
- ITAAC closure verification process
 - SECY-08-0117, "Staff Approach To Verify Closure of Inspections, Tests, Analyses, and Acceptance Criteria and To Implement Title 10 CFR 52.99, 'Inspection During Construction,' and Related Portion of 10 CFR 52.103(g) on the Commission Finding," dated August 7, 2008

Audit Report

AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS

OIG-12-A-16

Status of Recommendations

Recommendation 10 (continued):

- SECY-09-0119, "Staff Progress in Resolving Issues Associated with Inspections, Tests, Analyses, and Acceptance Criteria," dated August 26, 2009
- SECY-10-0100, "Staff Progress in Resolving Issues Associated with Inspections, Tests, Analyses, and Acceptance Criteria," dated August 5, 2010
- SECY-11-0111, "Staff Progress in Resolving Issues Associated with Inspection, Tests, Analyses, and Acceptance Criteria," dated August 12, 2011
- Inspection Process
 - SECY-06-114, "Description of the Construction Inspection Program for Plants Licensed Under 10 CFR Part 52," dated May 13, 2006
 - SECY-07-049, "Construction Inspection Roles and Responsibilities," dated March 8, 2007
 - IMC 2503, "Construction Inspection Program: Inspections of Inspections, Tests, Analyses and Acceptance Criteria (ITAAC) Related Work," dated July 5, 2012
 - IMC 2504, "Construction Inspection Program – Inspection of Construction and Operational Programs," dated October 24, 2012
 - IMC 2506, "Construction Reactor Oversight Process General Guidance and Basis Document," dated November 19, 2012

Audit Report

AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS

OIG-12-A-16

Status of Recommendations

Recommendation 10 (continued):

Step 4 - Communicate Vision and Plan by a Factor of Ten (10)

This step entails articulating the importance of ITAAC, and the desired outcome for implementing the ITAAC process. During the development of the ITAAC process, NRO continues to communicate its vision and strategy through Commission meetings, public workshops, the DOE ITAAC demonstration project, and the development of iCOM. The ITAAC process also continues to be communicated through training, biannual counterpart meetings, bimonthly construction inspection public meetings, and regularly scheduled weekly phone calls between NRO and the Region II staff.

Step 5 - Empower Broad Based Action

The NRO staff performed an assessment to determine the organizational readiness for the ITAAC process. As an example, in December 2011, NRO reorganized the office to ensure that the oversight program was better prepared to transition from construction inspection infrastructure development to construction oversight and execution of the ITAAC process.

Step 6 - Create/Celebrate Short Term Wins

Step 7 - Consolidate Gains and Produce More Change

The NRO staff revised ITAAC related regulations and guidance and successfully completed the rulemaking

Audit Report

AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS

OIG-12-A-16

Status of Recommendations

Recommendation 10 (continued):

to revise 10 CFR 52.99 on ITAAC maintenance, and issued Regulatory Guide 1.215, Revision 1, "Guidance for ITAAC Closure Under 10 CFR Part 52." The staff is now employing these enhancements and other construction inspection program governing documents to inspect ITAAC and review the submitted ICNs. For example, in accordance with the ITAAC closure verification process OI, the staff recently reviewed the first ICN submitted by a licensee and issued an insufficient information letter identifying additional information needed in the ICN to meet the requirements of 10 CFR 52.99(c)(1). The staff was successfully able to document and communicate the insufficient information to the licensee and for all stakeholder awareness. The licensee will submit a new ICN of record addressing this additional information.

Step 8 - Anchor Change in a New Culture

As the organization transitions from the development of the ITAAC process to the execution of the ITAAC process, NRO has developed the OIP, OIs, and IMCs, as well as conducted training on various aspects of the ITAAC process. NRO also has developed and reprioritized new goals for the office including the recognition of the importance of the ITAAC process, as the goals acknowledge that there will be "an increase in implementation of the ITAAC closure verification process with a significant increase in FY 2016 near the completion of construction." Therefore, NRO established as its number one goal the following:

Audit Report

AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS

OIG-12-A-16

Status of Recommendations

Recommendation 10 (continued):

“Execute construction oversight at four AP1000 units, including the construction inspection program, ITAAC closure verification reviews, and necessary license amendments to support a recommendation to the Commission that provides the regulatory basis for the Commission to make its 10 CFR Part 52.103(g) finding for a plant ready to operate.”

The ITAAC process begins once the ITAAC have been established in either the design certification rulemaking process or the COL issuance. The ITAAC process includes the following activities: prioritization of the ITAAC, vendor and construction inspection of ITAAC related activities, and ITAAC closure verification. The overall relationship between ITAAC and inspection is documented in IMC 2506. When it is determined that these elements of the ITAAC process need to be changed, NRO has processes and procedures for the management of changes to OIs and IMCs. Each of the activities in the ITAAC process is documented in the NRO OI's or IMC's listed below.

- NRO-REG-102, “Prioritization of Inspections, Tests, Analysis, and Acceptance Criteria (ITAAC) for Inspection,” (ADAMS Accession No. ML12111A186)
- NRO-REG-103, “Inspections, Tests, Analyses, and Acceptance Criteria Closure Verification Process.” (ADAMS Accession No. ML12088A040)

Audit Report

AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS

OIG-12-A-16

Status of Recommendations

Recommendation 10 (continued):

- NRO-COM-108, "NRO Construction Inspection Interfaces with Region II" (ADAMS Accession No. ML113220316)
- IMC 2503, "Construction Inspection Program: Inspections of Inspections, Tests, Analyses and Acceptance Criteria (ITAAC) Related Work"
- IMC 2506, "Construction Reactor Oversight Process General Guidance and Basis Document"
- IMC 2507, "Construction Inspection Program: Vendor Inspections"
- A process is under development to evaluate the impacts of license amendment requests (LAR) and exemptions on the ITAAC. This process will include coordination between the NRO and construction inspection staff to incorporate LAR/exemption changes into ITAAC and the construction inspection program. When the LAR/exemption process is completed it will be incorporated into NRO-REG-102 and NRO-COM-108 as appropriate.

OIP Phase 3 is currently underway and includes a continued effort to maintain the business process maps along with updates to CIPIMS and VOICES. The OIP uses these process maps to ensure that when a reevaluation occurs, all changes are captured.

The staff reviewed the OIS and IAEA documents used to clarify OIG Recommendation 10 in the October 4, 2012, memorandum and determined that these specific processes are not entirely applicable for the ITAAC process. However,

Audit Report

AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS

OIG-12-A-16

Status of Recommendations

Recommendation 10 (continued):

the staff will incorporate aspects of these concepts in the ITAAC process as appropriate.

Target date for completion: September 30, 2013.

OIG Analysis:

While the agency states agreement with the recommendation, the described agency actions do not meet the intent of OIG's recommendation. The activities described in the agency's January 31, 2013, response do not constitute development and implementation of a formal change management process for the overall ITAAC process as envisioned by the recommendation. Rather, what is described is a collection of actions NRO has taken to apparently address changes to specific ITAAC, not the overall process of overseeing ITAAC-related activities.

OIG will resolve this recommendation when the agency describes a change management program that demonstrates that it addresses future change in the overall ITAAC process. Examples of potential future changes that would benefit from a change management process could include re-organization within NRO or NRC or significant staffing, technology, and/or budget changes similar to sequestration under the 2011 Budget Control Act. Such events would potentially cause change in the ITAAC program that would need to be effectively managed.

Audit Report

AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS

OIG-12-A-16

Status of Recommendations

Recommendation 10 (continued):

OIG will resolve this recommendation when the agency describes to OIG its intent to develop and issue a formal guidance document that describes in detail a formal change management process, as envisaged by the audit report and recommendation.

Status: Unresolved.