



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

**OFFICE OF THE
INSPECTOR GENERAL**

May 23, 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
USE OF ORDERS (OIG-12-A-19)

REFERENCE: DIRECTOR, OFFICE OF ENFORCEMENT,
MEMORANDUM DATED MARCH 13, 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 March 13, 2013. Based on this response, recommendations 1, 2, 3, 4, and 5 are in resolved status. Please provide an updated status on these recommendations by September 16, 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: R. Mitchell, OEDO
K. Brock, OEDO
J. Arildsen, OEDO
C. Jaegers, OEDO

Audit Report

AUDIT OF NRC'S USE OF ORDERS

OIG-12-A-19

Status of Recommendations

Recommendation 1: Identify and document order followup requirements and/or revise the *NRC Enforcement Policy*, as appropriate, and *Manual* to include, for each type of order, descriptions of the order type, definitions, and expectations for order followup, tracking, and closure.

Agency Response

Dated March 13, 2013:

The Office of Enforcement (OE) has evaluated the need to revise the Enforcement Policy, as appropriate, and the Enforcement Manual to address the recommended actions. OE, after consultation with other program offices and the regions, concluded that a description of order types, definitions, and expectations for order followup, tracking and closure is more appropriate for the Enforcement Manual. The Enforcement Manual is the document that provides guidance to the Staff on detailed actions required to implement the Enforcement Policy tenets and, therefore, is the appropriate location for the actions herein recommended.

OE is developing a revised section to the Enforcement Manual which will identify the various types of orders issued by the Staff. The revised Enforcement Manual section will contain references to the program office documents used to issue, track, and close orders issued in their respective areas of responsibility. After coordinating with the appropriate program offices and the regions, OE identified a few offices that need to revise procedures to address the issuance, tracking, and closure of orders in their area of responsibility. OE is on track to incorporate this new section no later than September 30, 2013.

OIG Analysis:

The proposed corrective action partially addresses the intent of OIG's recommendation. Because the *NRC Enforcement Policy* mentions different order types (such as nonenforcement-related orders in Section 1.6, "Responsibilities," and Confirmatory Orders, Section 7.0, "Glossary"), the *Policy* may similarly require updated order descriptions for consistency with the terminology elsewhere in the *Policy* and the *Manual*. This recommendation will be

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Status of Recommendations

Recommendation 1 (cont.):

closed when OIG receives and reviews the final updated *Policy* and *Manual* and other associated guidance, and determines the documents provide, for each order type, the elements specified in recommendation 1.

Status: Resolved.

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Status of Recommendations

Recommendation 2: Identify and document order followup requirements for the Chief Financial Officer issued orders and/or coordinate with Office of Enforcement staff to revise the *NRC Enforcement Policy*, as appropriate, and *Manual* to include definitions and expectations for order followup, tracking, and closure.

Agency Response

Dated March 13, 2013:

The CFO determined that a revision to the procedure addressing the control of orders issued by their office was appropriate. The procedure revision has been completed and can be found on CFO's SharePoint site at http://portal.nrc.gov/OCM/ocfo/ocfo_admin/DOC/ARB/AR%20Policies%20and%20Procedures/Forms/AllItems.aspx. OE will include reference to this procedure in the new section to the Enforcement Manual discussed in the status update to Recommendation 1.

The Office of Enforcement requests closure of recommendation 2.

OIG Analysis:

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews the final updated *NRC Enforcement Policy* and *Enforcement Manual*, and other associated guidance, and determines the OCFO order followup requirements have been documented as specified in recommendation 2.

Status:

Resolved.

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Status of Recommendations

<u>Recommendation 3:</u>	Identify and document order followup requirements for Office of International Programs issued orders and/or coordinate with Office of Enforcement staff to revise the <i>NRC Enforcement Policy</i> , as appropriate, and <i>Manual</i> to include definitions, and expectations for order followup, tracking, and closure.
Agency Response Dated March 13, 2013:	The OIP has determined that a procedure is appropriate to address the control of orders issued by their office. OIP is on track to complete the procedure by September 30, 2013. OE will include reference to this procedure in the new section to the Enforcement Manual discussed in the status update to Recommendation 1.
OIG Analysis:	The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews the final updated <i>NRC Enforcement Policy</i> and <i>NRC Enforcement Manual</i> , and other associated guidance, and determines that the OIP order followup requirements have been documented as specified in recommendation 3.
Status:	Resolved.

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Status of Recommendations

Recommendation 4: Seek an updated, documented delegation of authority to issue orders from the Chairman and/or Commission.

Agency Response

Dated March 13, 2013:

In a memorandum to the Chairman dated March 1, 2013, the Director, OIP requested from the Commission an updated, documented delegation of authority to issue orders. This memorandum is located in ADAMS at ML13010A167.

The Office of Enforcement requests closure of recommendation 4.

OIG Analysis:

The proposed corrective action continues to address the intent of OIG's recommendation. OIG reviewed the documentation located in ADAMS at ML13010A167 and observed that the memorandum ML13010A285, Enclosure 4 of the ADAMS package ML13010A167, is not an official agency record and does not reflect the date signed or the Chairman's signature and/or concurrence. This recommendation will be closed when OIG receives and reviews the official agency record, which is dated and signed by the Chairman indicating the final documented delegation of authority for the OIP Director to issue orders.

Status:

Resolved.

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Status of Recommendations

Recommendation 5: Seek an updated, documented delegation of authority to issue orders and to re-delegate that authority from the Chairman and/or Commission.

Agency Response
Dated March 13, 2013: The OEDO intends to request that the Commission provide an updated, documented delegation of authority to issue orders. OEDO is on track to make this request by May 31, 2013.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews the final documented delegation of authority for the Executive Director for Operations to issue orders from the Chairman and/or Commission.

Status: Resolved.