

AUDIT REPORT

Survey of NRC's Support Provided to Resident Inspectors

OIG-14-A-12 March 18, 2014



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OFFICE OF THE
INSPECTOR GENERAL

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

March 18, 2014

MEMORANDUM TO: Mark A. Satorius
Executive Director for Operations

Eric Leeds
Director, Office of Nuclear Reactor Regulation

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

SUBJECT: SURVEY OF NRC'S SUPPORT PROVIDED TO
RESIDENT INSPECTORS (OIG-14-A-12)

Attached is the Office of the Inspector General's (OIG) audit report titled *Survey of NRC's Support Provided to Resident Inspectors*. The objective of the audit was to survey the effectiveness of NRC support provided to Resident Inspectors at nuclear power plants, fuel-cycle facilities, and construction sites.

OIG identified opportunities to improve the agency's support of Resident Inspectors which include: (1) identifying a formal mechanism for obtaining Residents' perspectives regarding support issues, and (2) taking measures to ensure that the roles and responsibilities for existing support systems for Residents' needs and concerns are communicated and understood by the appropriate management and staff, and are effectively executed.

If you have any questions, please contact me at 415-5923 or R.K. Wild, Team Leader, Nuclear Reactor Safety Audit Team, at 415-5948.

Attachment: As stated

EXECUTIVE SUMMARY

BACKGROUND

The Nuclear Regulatory Commission (NRC) is tasked with examining the regulatory compliance and safety of licensed nuclear facilities. One of the methods that NRC uses to ensure the compliance and safety of nuclear power plants is conducting inspections. The core of the NRC inspection program for nuclear power plants is carried out by Resident Inspectors¹ who provide the major onsite NRC presence for inspection and assessment of licensee performance and conformance with regulatory requirements.

NRC assigns at least two Residents to each operating nuclear power reactor site. Residents are also assigned to Category I fuel cycle facilities,² gaseous diffusion plants, and new reactor construction sites. As of October 2013, there were approximately 148 Residents stationed at 67 nuclear facilities. From their remote duty locations, NRC Resident Inspectors report to assigned regional offices (regions I-IV).

OBJECTIVE

The objective of this audit was to survey the effectiveness of NRC support provided to Resident Inspectors at nuclear power plants, fuel-cycle facilities, and construction sites.

RESULTS IN BRIEF

The Office of the Inspector General (OIG) found that the agency generally provides Residents with sufficient support to enable them to adequately perform their roles and responsibilities. However, there is a perception among Residents that support from headquarters and the regions is, at times, inconsistent.

¹ Throughout this report, "Resident Inspectors" and or "Residents" refers to both Resident and Senior Resident Inspectors.

² Category I fuel cycle facilities use special nuclear material in the manufacturing process. NRC classifies special nuclear materials and the facilities that possess them into three categories based on the materials' potential for use in nuclear weapons or "strategic significance." Category I is considered "High Strategic Significance."

These perceptions among the Resident staff exist because the agency has not identified a formal mechanism for obtaining, reviewing, and responding to Residents' perspectives regarding the type and level of support they are currently provided. By identifying a formal mechanism for obtaining Residents' perspectives and ensuring that the roles and responsibilities for existing support systems are understood and effectively executed, Residents are apt to feel more engaged and supported by management.

RECOMMENDATIONS

This report makes recommendations to improve the effectiveness by which NRC provides support to Resident Inspectors.

AGENCY COMMENTS

At an exit conference on January 23, 2014, agency management provided informal comments on a draft of this report. OIG incorporated these comments into the report, as appropriate.

On February 19, 2014, the agency provided formal comments, which have been included in Appendix C of this report. OIG's response to the agency's formal comments is contained in Appendix D of this report.

ABBREVIATIONS AND ACRONYMS

DRP	Division of Reactor Projects
GAO	Government Accountability Office
IMC	Inspection Manual Chapter
IT	Information Technology
NRC	Nuclear Regulatory Commission
NRR	Office of Nuclear Reactor Regulation
OIG	Office of the Inspector General
RI(s)	Resident Inspector(s)
SRI(s)	Senior Resident Inspector(s)
TIA	Task Interface Agreement

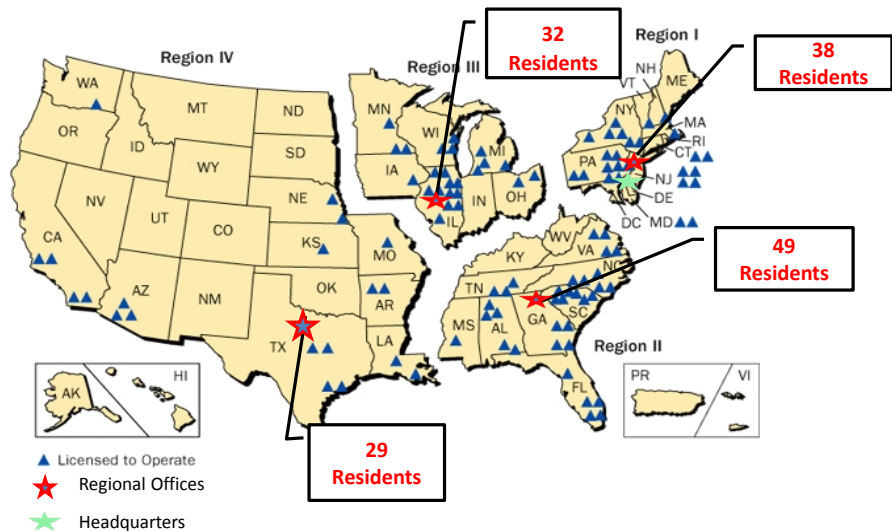
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I. BACKGROUND

Resident Inspectors play a very important role in overseeing NRC licensees. Specifically, the core of the NRC inspection program for nuclear power plants is carried out by Residents who provide an onsite NRC presence for inspection and assessment of licensee performance and conformance with regulatory requirements. NRC assigns at least two Residents to each operating nuclear power reactor site. Residents are also assigned to Category I fuel cycle facilities, gaseous diffusion plants, and new reactor construction sites. As of October 2013, there were approximately 148 Residents stationed at 67 nuclear facilities. From their remote duty locations, NRC Resident Inspectors report to assigned regional offices (regions I-IV). The map below illustrates the locations of nuclear power reactor sites.

Resident Inspector Assignments by Region



Source: NRC, as of October 2013.

Residents serve as an important interface between the NRC and licensees. Residents work as a team with other NRC experts based in headquarters and regional offices to make sure the plants adhere to NRC rules. They also frequently interact with the licensee staff as they conduct

walk downs³ of the plant, discuss plant status with the reactor operators, and meet regularly with plant management.

History of the Resident Inspector Program

From June 1974 through October 1976, NRC conducted a trial program to evaluate the potential benefits of a Resident Inspector program. In April 1977, staff presented NUREG-0425, "NRC Inspection Alternatives: A Study Report," to the Commission for review. In the report, staff concluded that the Resident Inspector concept was viable because it made more efficient and effective use of an inspector's time. Specifically, staff recommended to the Commission that the agency adopt a full-time, onsite-inspector approach based on a favorable comparison of competency, utility, flexibility, objectivity, and licensee motivation. In June 1977, the Commission approved a revised inspection program that included stationing NRC inspectors at all operating nuclear power reactors and selected reactors under construction. Initial implementation of the Resident Inspector program occurred in 1978 with the assignment of 20 onsite inspectors. These inspectors were charged with providing increased knowledge of conditions at licensed facilities, independently verifying licensee performance, and improving incident response capability. By 1981, at least one Resident was stationed at each power reactor site.

NRC Organizations Responsible for Supporting Resident Inspectors

NRC's Office of Nuclear Reactor Regulation (NRR) conducts a broad range of regulatory activities in four primary program areas of rulemaking, licensing, oversight, and incident response programs for reactors. The Division of Inspection and Regional Support is located within NRR and provides centralized management for programs pertaining to operating nuclear power reactors, including reactor inspection, performance assessment (the Reactor Oversight Process), and operational events. Each regional office is also charged with performing inspections, including

³ A walk down is an activity routinely conducted by Residents that includes walking through the plant to assess the day-to-day operation, oversight, and condition of the plant.

those conducted by Residents. Together, NRR and the regional offices provide support for the Resident Inspector program.

II. OBJECTIVE

The audit objective was to survey the effectiveness of NRC support provided to the Residents at nuclear power plants, fuel-cycle facilities, and construction sites. Appendix A provides information on the audit scope and methodology.

III. FINDING

RESIDENT INSPECTORS IDENTIFY OPPORTUNITIES FOR SUPPORT IMPROVEMENT

According to feedback provided to OIG from the Resident Inspector population, the agency generally provides Residents with sufficient support to enable them to adequately perform their roles and responsibilities. However, Residents did identify opportunities for the agency to improve the type and level of support currently being provided.

Staff located in remote locations—such as NRC Residents—require reliable and consistent support⁴ to be effective in their jobs. It is equally important that remote employees feel connected to the organization and perceive that management is willing to listen to their perspectives. However, there is a perception among Residents that support from headquarters and regions is, at times, inconsistent. Additionally, some Residents identified opportunities where support could be improved by facilitating better coordination and communication between headquarters, regions, and Residents, as well as providing clearer and more concise inspection guidance. These perceptions among the Resident staff exist because the agency has not identified a formal mechanism for obtaining, reviewing, and responding to Residents' perspectives regarding the type and level of support they are currently provided. Consequently, the effectiveness by which Residents are able to perform their roles and responsibilities may be negatively affected.

⁴ The term "support" refers to both technical and non-technical support. Technical support includes reviews of inspection findings, technical reviews, and management input and perspectives on agency guidance. Non-technical support refers to activities associated with office administration, information technology, coordination, communication, and general management/supervision.

Remote Staff Require Consistent Support and Communication

Staff located at remote sites away from headquarters or the central office—as NRC Residents are—require consistent support and sustained communication to be effective in their jobs. It is equally important that remote employees feel connected to their organization and perceive that management is willing to listen to their concerns. These principles are recognized both within the academic and government sectors as being necessary to ensure remote workers remain engaged and committed. A Massachusetts Institute of Technology–Sloan School of Management study states the importance of routinely engaging remote employees in a relevant, reliable, and timely manner to ensure they remain engaged and enabled to perform their jobs. This is vital because remote employees can feel disconnected and isolated from their organization due to the lack of management action and responsiveness. Therefore, managers are encouraged to enable and promote opportunities for sustained communication and take steps to help remote employees cope with the challenges of working remotely.

Additionally, the Government Accountability Office (GAO) *Internal Control Management and Evaluation Tool* (GAO Green Book Tool) specifies considerations for Federal agencies when creating an environment with internal controls.⁵ One such consideration for Federal agencies is that there is frequent interaction between senior management and operating program management, especially when operating from geographically dispersed locations. The GAO Green Book Tool emphasizes the importance of being engaged by maintaining consistent communication with employees so that “Personnel have a means of communicating information upstream within the agency through someone other than a direct supervisor, and there is genuine willingness to listen on the part of management.”

⁵ Internal control is an integral component of an organization's management that provides reasonable assurance that the following objectives are being achieved: effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

Some Support to Residents Could Be Improved

While Residents generally feel that they have sufficient support to perform their roles and functions adequately, some specific types of support may not be adequate. By means of a survey instrument,⁶ OIG learned of a perception among Residents that headquarters and regional offices are sometimes viewed as disengaged and unresponsive to Residents' needs and concerns. These specific areas of concern span both non-technical and technical types of support.

Concerns With Non-Technical Support

The majority of Residents' perspectives on the OIG survey pertained to technical support; however, Residents also identified some areas of non-technical support, such as activities associated with office administration, information technology, communication, and general management supervision, that are in need of attention. For example, one Resident wrote, "IT [information technology] resources at Resident sites are woefully inadequate and unreliable." Another wrote, "Responses to enquiries, requests for assistance, or process requirements are delayed or forgotten." And, another expressed the view that support for Residents has been on a steady decline, stating, "I believe we have seen considerable erosion in the level and quality of support for RIs [Resident Inspectors] and SRIs [Senior Resident Inspectors] in the field...." Furthermore, during Resident interviews, multiple Residents expressed concerns or dissatisfaction with an agency-relocation program.⁷

⁶ OIG developed and administered a survey designed to assess Residents' perspectives on various types of support provided to them by the agency. At the time of the survey (March 11-29, 2013), OIG invited 144 Residents to participate in the survey. A total of 79 Residents completed the survey for an overall survey response rate of approximately 55 percent. Of the 79 completed surveys, 35 Residents also provided multiple written comments. A description of the survey design and administration, and summary of results, are provided in Appendix B.

⁷ The relocation program is part of the *NRC Recruitment, Relocation, and Retention Incentives Program*. One program objective is to "Encourage and promote mobility of NRC or other Federal employees by offering relocation incentives when location or other factors may serve as disincentives to suitable candidates."

A sampling of Resident Inspectors' comments included:

- "If our office assistants worked more than 10 hours a week (up to 15 or 20) we could have shifted more of our administrative burden to them."
- "It is often difficult for IT personnel from the region or [headquarters] to diagnose and address IT issues from hundreds of miles away."
- "My IT resources are inadequate, my computer has not been upgraded (hardware or software) in a least 5 years and it is slow."

Concerns With Technical Support

The results of the OIG survey indicate that while more than half of respondents were satisfied with job-related technical support, a sizable portion of respondents had concerns. For example:

- 51 percent of survey respondents responded that they "agree" or "strongly agree" that they receive timely, high-quality technical support in resolving regulatory questions.
- 53 percent of survey respondents responded that they "agree" or "strongly agree" that coordination of support between the region and headquarters is effective.
- 53 percent of survey respondents responded that they "agree" or "strongly agree" that they are able to easily identify an appropriate point of contact at headquarters to provide additional technical assistance when needed.
- 60 percent of survey respondents responded that they "agree" or "strongly agree" that current inspection guidance (inspection procedures, inspection manual chapters) is clear, concise, and easily understood.

Approximately half of the respondents expounded on their survey responses by providing written comments on their concerns, as follows:

- *Technical Support:* One Resident stated, “Technical support requested from headquarters is not timely,” while another noted, “The process for getting a technical or regulatory answer from headquarters when using the TIA process⁸ is unnecessarily time consuming.” Another commented on the usefulness of subject matter experts stating, “The resident staff should be supplied with an updated (and kept updated) list of [headquarters] Subject Matter Experts. Sometimes the person we are referred to has little experience in the subject matter and is little help to the resident staff [...]”
- *Regional and Headquarters Coordination:* Residents’ comments also addressed the problems associated with headquarters and regional offices working together to provide support to the Resident staff. For example, “If anything requires the region and headquarters working together, it takes forever and often involves miscommunication.”

Another aspect of coordination that many Residents identified as a concern pertained to identifying points of contact within the regional and headquarters offices. For example, multiple Residents provided comments addressing the difficulties associated with communicating with headquarters staff, particularly identifying the appropriate point of contact or subject matter expert. For instance, “It can be difficult to interact with [headquarters] when your project manager is unavailable for whatever reason. Some project managers are much more responsive than [sic] others...Once contact is made the support from [headquarters] is great. Making that contact can be a challenge sometimes. Finding the right group, person etc., all depends on a strong project manager.” Another noted, “There are too many coordinators and not enough regulatory/technical experts to address the regulatory and technical questions needed to disposition issues appropriately.”

- *Inspection Guidance:* Several Residents remarked on the state of inspection guidance, indicating that it is “lacking,” “inconsistent,” and “not written as clearly as it could be.” One Resident articulated that the primary issue with inspection procedures is the general lack of clarity

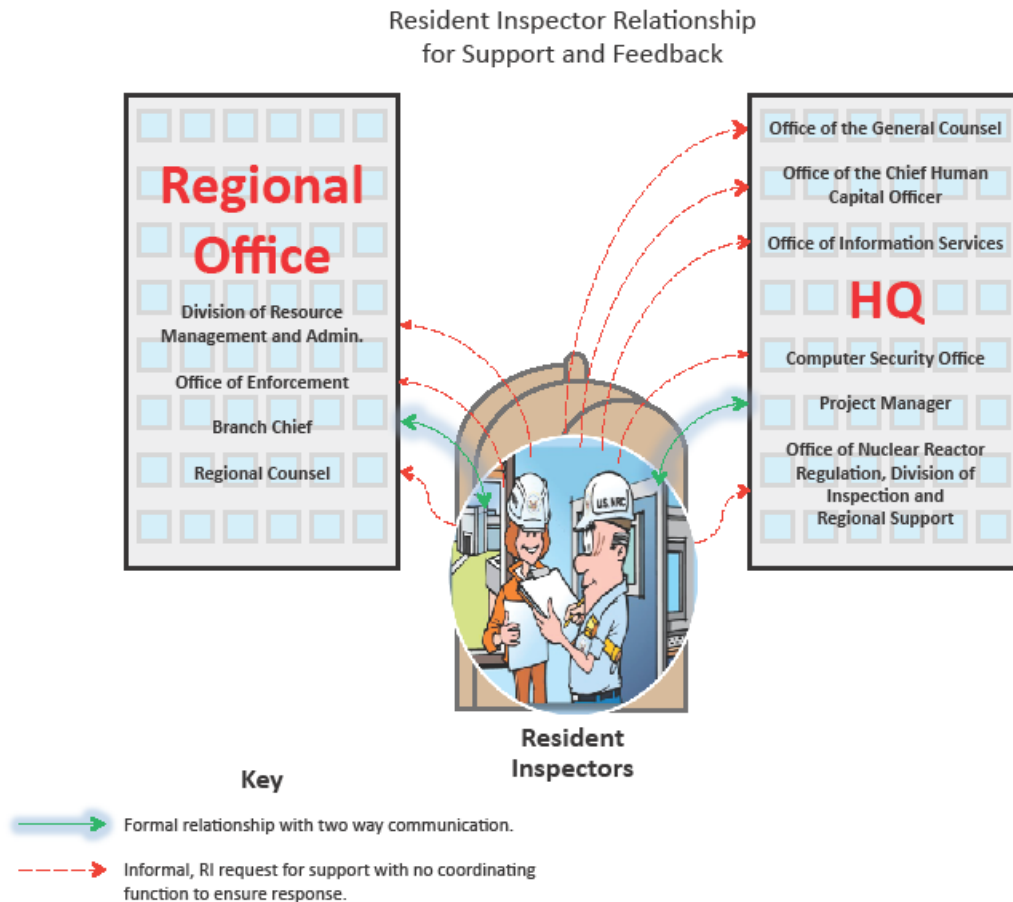
⁸ The Task Interface Agreement (TIA) process is used to address questions or concerns raised within the NRC regarding nuclear reactor safety and related regulatory and oversight programs. A TIA is a request from a region or another NRC office for technical assistance from NRR. OIG recently initiated a separate audit of the TIA process.

of the guidance versus requirements, including inspection samples. Lack of clarity results in inconsistent understanding and application among Residents and headquarters technical staff.

NRC Has Not Identified a Formal Mechanism for Obtaining Residents' Support Concerns

NRC has not identified a formal mechanism for obtaining Residents' concerns, including feedback and perspectives on support-related issues. Furthermore, the Resident support roles and responsibilities of agency managers could be clarified and communicated.

Residents work through a variety of channels to seek technical and non-technical support. For example, they may seek technical support directly from their branch chief or project manager. These are individuals with whom Residents have a formal relationship. But they may also know of an individual in one of the engineering branches that they believe can assist them. Similarly, if they need support with a non-technical issue, such as with IT systems, they might directly contact their branch chief or they might also call the IT Help Desk located at headquarters. The following figure illustrates some of the various formal and informal relationships Residents may have with individuals or offices that potentially provide support, as described by Residents during the audit.



Source: OIG, based on NRC staff and manager interviews.

For Resident Inspectors to be successful, they must be able to access support from multiple organizations. The success of these disparate approaches often depends on the experience, knowledge, and persistence of individual Residents, as they are reliant on identification of the appropriate subject matter expert(s). Additionally, they must follow up on the issue or concern without assurance of receiving a timely, adequately detailed, and appropriate response.

Residents are in a unique position in NRC because they are geographically separated from NRC staff and management. Being geographically separated, the Residents cannot readily use traditional communication vehicles such as the open door policy, drop-in visits with management, or face-to-face peer interaction. Residents, as an occupational group, also have a complex organizational relationship,

because they report from about 70 different locations to 4 geographically remote regional offices and to about 27 branch chiefs.

As a result of these geographical and organizational separations, the common challenges that multiple Residents at remote sites face may not be as evident to management. For example, a Resident at a nuclear power plant in Florida may have the same challenge needing management attention as Residents in California and Michigan. However, neither the Residents, nor their branch chiefs, nor management may recognize that the problem is affecting multiple sites and may therefore be more significant. The same challenge may have been encountered and solved at one site, but not at others. The geographical and organizational separation makes knowledge transfer of the solution a challenge.

These challenges make it difficult for a conventional management structure to ensure Residents' concerns and challenges are appropriately addressed and that a formal response is consistently provided in a timely manner. This contributes to Residents' perception that staff in headquarters and regional offices are disengaged and not responsive to perspectives regarding Residents' concerns and support needs.

One way to obtain Residents' concerns, feedback, and perspectives is by the assignment of one or more executive champions or comparable support system to the Resident Inspector program. An executive champion or comparable support system is typically an individual or group that:

- Has access and influence with senior management in the organization.
- Is able to energetically and consistently support program activities, policies, and processes, and address common challenges.
- Provides a view that transcends program and office boundaries.
- Serves the strategic purpose of ensuring that resources are available and that cross-functional issues are resolved.
- Facilitates the flow of information between staff and the organizations that provide them support.

After reviewing a draft of this report, agency managers stated that the Directors of the Divisions of Reactor Projects (DRP) located in each region already serve in a champion-like capacity for Resident Inspectors. OIG auditors did not find any documentation that describes the DRP regional directors' roles and responsibilities in this capacity.⁹ During subsequent discussions with OIG auditors, agency managers described a need for the Executive Director for Operations to take measures to ensure that the roles and responsibilities for existing support systems for Residents' needs and concerns are communicated and understood by the appropriate management and staff, and are effectively executed.

Improved Support Could Enhance Job Performance, Morale, and Engagement

If Residents' perspectives regarding support-related needs and concerns are not consistently and appropriately addressed in a timely manner, their ability to perform assigned duties could be affected. Some forms of support, particularly technical support, are critically important to the Residents' ability to adequately and consistently perform their oversight mission. For example, Residents seek technical support from headquarters in part to determine whether action should be taken against a licensee for a violation or nonconformance. Without consistent support, technical and otherwise, there may be inconsistency in how the significance of regulatory issues is determined. Subsequently, licensees may perceive disparate treatment should Residents not disposition regulatory issues in the same way.

Furthermore, because Residents work remotely, inconsistent and insufficient support also has the potential to perpetuate the feeling among Residents of being disconnected or isolated from the larger NRC. As a result, the morale and level of engagement within the Resident population could be negatively affected.

⁹ Documentation reviewed includes agency Management Directives, Inspection Manual Chapters, and the DRP directors' position descriptions.

Recommendations

OIG recommends that the Executive Director for Operations:

1. Identify a formal mechanism for obtaining Residents' perspectives regarding support issues.
2. Take measures to ensure that the roles and responsibilities for existing support systems for Residents' needs and concerns are communicated and understood by the appropriate management and staff, and are effectively executed.

IV. AGENCY COMMENTS

On November 18, 2013, OIG issued the discussion draft of this report to the Executive Director for Operations. OIG met with NRC senior management on December 19, 2013, to discuss concerns with the draft audit report and accommodate the agency's request to postpone the exit conference. Informal written comments were provided by the agency on December 24, 2013. The exit conference was rescheduled for January 23, 2014. At these meetings, the agency provided informal comments, which OIG subsequently incorporated into the draft report as appropriate. On February 19, 2014, NRC provided formal comments to the draft report that indicated its general agreement with the revised audit report and recommendations.

Appendix A contains the audit Objective, Scope, and Methodology; Appendix B contains the Survey Design and Administration; Appendix C contains a copy of the agency's formal comments; and Appendix D contains OIG's analysis of the agency's formal comments.

OBJECTIVE, SCOPE, AND METHODOLOGY

OBJECTIVE

The audit objective was to survey the effectiveness of NRC support provided to the Resident Inspectors at nuclear power plants, fuel-cycle facilities, and construction sites.

SCOPE

This audit focused on evaluating the effectiveness of NRC support provided to Residents. OIG also performed a review of the agency's use of comprehensive program evaluations as a means to monitor and evaluate the Resident Inspector program. We conducted this performance audit at NRC headquarters in Rockville, MD, and each of the four NRC regional offices in King of Prussia, PA; Atlanta, GA; Lisle, IL; and Arlington, TX, from October 2012 through May 2013. Internal controls related to the audit objective were reviewed and analyzed. Throughout the audit, auditors were aware of the possibility or existence of fraud, waste, or misuse in the program.

METHODOLOGY

The audit team reviewed relevant Federal guidance, including GAO's *Internal Control Management and Evaluation Tool* and OMB Circular A-123, *Management's Responsibility for Internal Control*, December 2004. The team also reviewed NRC planning documents such as the agency's 2008-2013 Strategic Plan, as well as operating documents including inspection procedures and inspection manual chapters. Several policy-related internal communication documents pertaining to the Resident Inspector program were also reviewed. The audit team also developed and administered a survey designed to assess Residents' perspectives on various types of support provided to them by the agency. The survey and the results are described in further detail in Appendix B. Additionally, OIG auditors conducted numerous interviews with NRC staff at headquarters and regional offices to obtain further information and insight on the Resident Inspector program. Lastly, the audit team attended all four regional counterpart meetings held in December 2012 during which time

members of the team met with Resident Inspectors and regional management.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

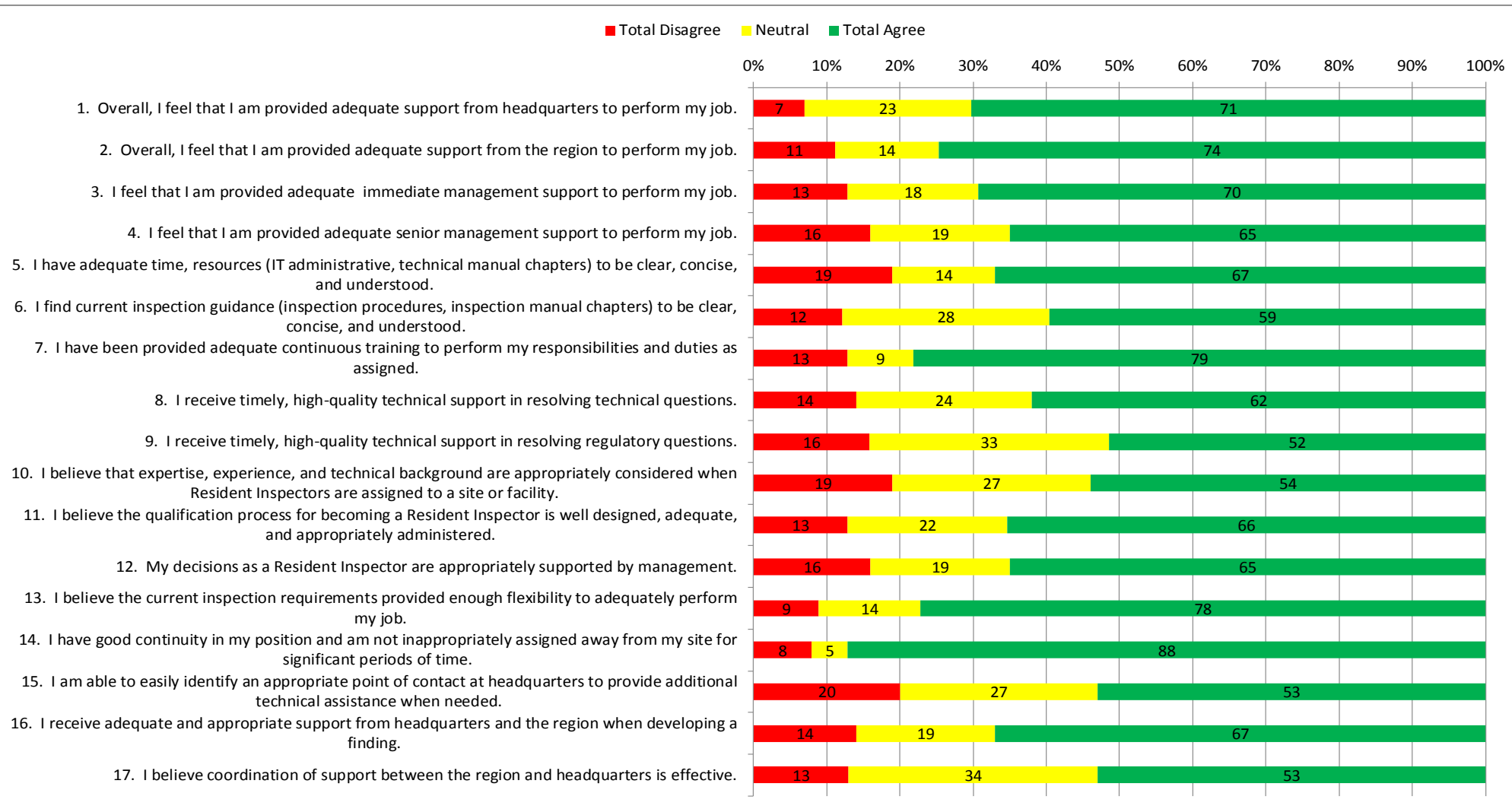
The audit work was conducted by RK Wild, Team Leader; Kevin Nietmann, Senior Technical Advisor; Jaclyn Storch, Audit Manager; Andrea Ferkile, Audit Manager; Avinash Jaigobind, Senior Analyst; Ziad Buhaissi, Senior Auditor; Tincy Thomas, Senior Auditor; Tariq Noaman, Analyst; and Jenny Cheung, Auditor.

SURVEY DESIGN AND ADMINISTRATION

The OIG Resident Inspector survey was designed using Microsoft SharePoint and included a series of 17 multiple-choice questions regarding various aspects of support provided to Residents from regional and headquarters offices. The questions were designed to elicit the respondent's level of agreement or disagreement with each question. Respondents were also invited through the survey instrument to provide written comments on topics addressed by the survey questions.

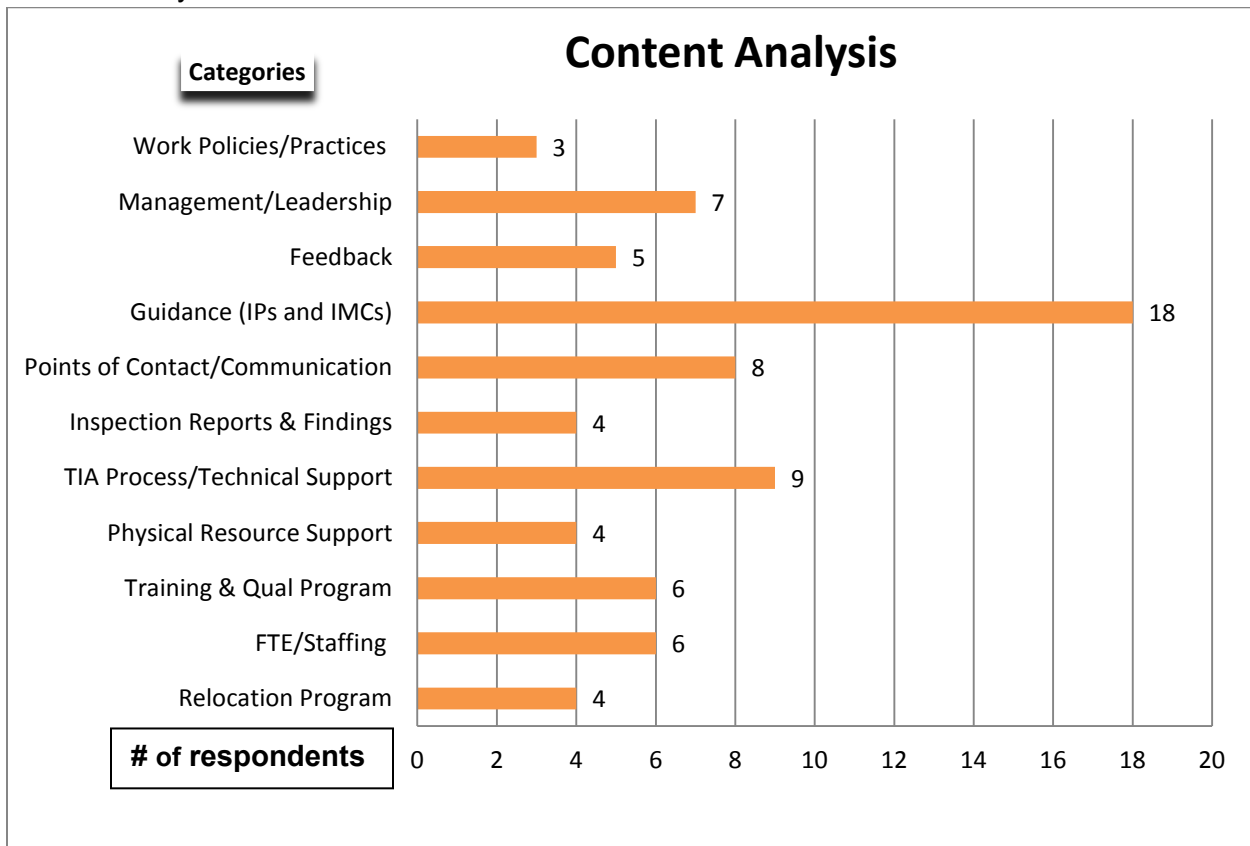
The survey was administered from March 11, 2013, to March 29, 2013. This yielded a survey universe of 144 Residents, each of whom was invited to participate in the survey. A total of 79 Residents completed the survey for an overall survey response rate of 55 percent. Of the 79 completed surveys, 35 Residents also provided multiple written comments. The following table shows the cumulative percentage of Residents' responses to all 17 survey items.

OIG Analysis of Item Responses From the OIG-Administered Survey



OIG also performed a content analysis of survey comments made by Residents. The results are shown in the following figure. Based on the content analysis, 11 categories were identified as areas of concern regarding insufficient support for Residents. The most commonly noted concerns cited by Residents included insufficient support with inspection guidance and the TIA process, and communication difficulties associated with identifying points of contact within headquarters. The content analysis generally confirmed the distribution of responses to the 17 survey items as issues of particular concern to the Resident population.

Content Analysis on Residents' Comments



Source: OIG analysis of written comments from the OIG-administered survey.

AGENCY FORMAL COMMENTS

DEDO R/F



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

February 19, 2014

MEMORANDUM TO: Stephen D. Dingbaum
Assistant Inspector General for Audits
Office of the Inspector General

FROM: Michael R. Johnson *Mr. Johnson*
Deputy Executive Director for Reactor
and Preparedness Programs
Office of the Executive Director of Operations

SUBJECT: FORMAL COMMENTS ON OFFICE OF THE INSPECTOR
GENERAL REVISED DRAFT REPORT ON THE NUCLEAR
REGULATORY COMMISSION'S SUPPORT PROVIDED TO
RESIDENT INSPECTORS

This memorandum responds to Mr. Robert Wild's Wednesday, January 29, 2014, e-mail transmitting the Office of the Inspector General's (OIG's) revised draft report, "Survey of NRC's Support Provided to Resident Inspectors." The report was revised following receipt of the agency's informal written comments of December 24, 2013, and additional verbal comments provided during the January 23, 2014, exit conference.

The U.S. Nuclear Regulatory Commission (NRC) staff is in general agreement with the revised draft report and its recommendations to:

- (1) Identify a formal mechanism for obtaining residents' perspectives regarding support issues, and
- (2) Take measures to ensure that the roles and responsibilities for existing support systems for residents' needs and concerns are communicated and understood by the appropriate management and staff and are effectively executed.

The NRC staff will address the recommendations above, in connection with our previously discussed, ongoing efforts and future to:

- (a) Improve resident support,
- (b) Increase management sensitivity to resident support concerns,
- (c) Enhance the residents' awareness and ability to identify and access available support,
- (d) Make ongoing improvements to accessing operating experience information, and
- (e) Enhance the Task Interface Agreement process.

CONTACT: Ho Nieh, NRR/DIRS
301-415-1004

S. Dingbaum

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The following are specific comments that elaborate on several existing NRC mechanisms, both formal and informal, that the staff believes are relevant to your recommendations and findings. These and other mechanisms form the foundation upon which the NRC will explore further activities in a realistic manner consistent with agency priorities and resource constraints.

- **Information Technology (IT) and relocation issues** – Support for relocations remains a topic of continued study and interest. The NRC will evaluate information about the concerns of resident inspectors (RIs) to determine if there are specific improvements that the agency can implement. In addition, the NRC is engaging regional offices to revise the fiscal year (FY) 2014 Enterprise Roadmap that captures the agency's IT capability needs over multiple fiscal years. The NRC will begin using the Enterprise Roadmap to support the agencywide fiscal IT budget formulation process.
- **Reliance on survey of RI perceptions** – Appendix A of the draft report identifies that the audit objective was to evaluate the effectiveness of NRC support provided to the residents. In addition to the insights gained from the residents, the scope and methodology, described in the draft audit report, indicated that the following were included: (a) operating documents, including inspection procedures, and inspection manual chapters, (b) policy-related internal communication documents, (c) interviews with NRC staff at headquarters and regional offices, and (d) meetings with regional management. In light of this, the agency would be interested in any additional information from OIG's audit of these areas and any additional insights regarding the RI perceptions from the survey that would inform its approach to implementing your recommendations.
- **Regional management involvement** – Appendix A of the report stated that the team met with regional managers. However, the draft report does not reflect any results from these meetings. There is a significant regional management role in providing support to RIs. Numerous regional managers were once RIs themselves and they have a genuine interest in the well-being of the RI staff, including technical and quality of life factors. Every manager that has spent time at a site is an instinctive champion for the RIs. Each of the significant interactions outlined below provide opportunities for residents to directly interface with multiple levels of regional management:
 - RI branch chief conference calls several times a week
 - RI quarterly calls with division management
 - RI quarterly calls with regional administrators (may vary by region)
 - Quarterly branch chief site visits
 - Division director or deputy site visits (each site about every 24 months)
 - Periodic senior management site visits
 - RI inspection debriefs and branch findings calls
 - Semi-annual regional inspector counterpart meetings

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- **Comprehensive program evaluations, performance audits, operating documents, and policy-related documents related to the RI program** – Objective evidence of formalized mechanisms for obtaining, reviewing, and responding to RI perspectives regarding the type and level of support they are currently receiving is provided in several documents and internal (pre-decisional and non-public) Web sites, including:
 - IMC 0102 Oversight and Objectivity of Inspectors and Examiners at Reactor Facilities – policy for management involvement and oversight of inspections, operator licensing examinations, audits, and other onsite inspection related activities at reactor facilities to ensure the effective direction of activities, communication, and inspector objectivity. Requires line managers to (a) assess the adequacy of program guidance (e.g., inspection procedures (IP), tools, and resources), and (b) engage their employees in open, two-way communication. By sharing their perceptions, opinions, and philosophies, employees will gain a better understanding of what their supervisors expect of them and supervisors will gain valuable insights into the capabilities and shortcomings of their employees and the inspection program.
 - IMC 0307 Reactor Oversight Process (ROP) Self-Assessment Program and ROP Self-Assessment SharePoint Site – evaluates the overall effectiveness of the ROP through its success in meeting its pre-established goals and intended outcomes.
 - IMC 0801 Reactor Oversight Process Feedback Program and Associated SharePoint Site – documents problems, concerns, or difficulties encountered in implementing the programs of the ROP. The NRC encourages the RIs to identify issues that need program-level attention and to suggest changes to improve the effectiveness or implementation of the ROP. Numerous feedback forms have been submitted and addressed during the life of this program. More than 100 forms were closed in 2013 alone. A recent example of a closed feedback form can be examined at Agencywide Documents Access and Management System (ADAMS) Accession No. ML13325B064.
- **Internal (pre-decisional and non-public) Web pages, SharePoint sites, online forums, newsletters, etc.** – are readily accessible to RIs and provide support and opportunities for RIs to engage in a timely manner and enable them to perform their jobs.
 - Nuclear Reactor Regulation (NRR), Division of Inspection and Regional Support (DIRS), Reactor Inspection Branch (IRIB), Performance Assessment Branch (IPAB) & Regions 1, 2, 3, and 4 SharePoint sites – Contain a variety of information and are updated frequently with new content.
 - ROP Digital City Web Site – Provides a wealth of RI support insights and opportunities to engage and participate.
 - Projects and Working Groups SharePoint Site – Includes links to and opportunities for RI engagement in a variety of projects and working groups to ensure they remain engaged and enabled to perform their jobs.

S. Dingbaum

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- o Inspector News Letter SharePoint Site – Provides opportunities for RIs to share best practices, lessons-learned, and other regulatory and operating experience insights.
- o Office of Enforcement SharePoint Site – Provides ready access to Office of Enforcement shared documents, helpful links, office instructions, enforcement manual, roles and responsibilities, staff roster, the enforcement guidance feedback process, training resources, and more.
- o Reactor OpE Information Gateway Web Site – Provides ready access to a wealth of operating experience.

We appreciate your willingness to consider these comments as you finalize your report. If you need additional information, please contact Ho Nieh or my staff at 301-415-1004.

cc: Chairman Macfarlane
Commissioner Svinicki
Commissioner Apostolakis
Commissioner Magwood
Commissioner Ostendorff
SECY

OIG ANALYSIS OF AGENCY FORMAL COMMENTS

On November 18, 2013, OIG issued the discussion draft of this report to the Executive Director for Operations. OIG met with NRC senior management on December 19, 2013, to discuss concerns with the draft audit report and accommodate the agency's request to postpone the exit conference. Informal written comments were provided by the agency on December 24, 2013. The exit conference was rescheduled for January 23, 2014. At these meetings, the agency provided informal comments, which OIG subsequently incorporated into the draft report as appropriate. On February 19, 2014, NRC provided formal comments to the draft report that indicated its general agreement with the revised audit report and recommendations.

OIG has assigned a reference number to each of the agency's comments to aid the following point-by-point analysis:

Agency Comment 1:

“Information Technology (IT) and relocation issues – Support for relocations remains a topic of continued study and interest. The NRC will evaluate information about the concerns of resident inspectors (RIs) to determine if there are specific improvements that the agency can implement. In addition, the NRC is engaging regional offices to revise the fiscal year (FY) 2014 Enterprise Roadmap that captures the agency's IT capability needs over multiple fiscal years. The NRC will begin using the Enterprise Roadmap to support the agency wide fiscal IT budget formulation process.”

OIG Response to Agency Comment 1:

OIG appreciates the agency's continued interest in studying the relocation program for Resident Inspectors as this remains an area of concern among the Resident population. Additionally, OIG encourages the agency to continue to evaluate the IT needs of the

Resident Inspectors in order to find timely, workable solutions to common recurring problems associated with IT support.

Agency Comment 2:

“Reliance on survey of RI perceptions – Appendix A of the draft report identifies that the audit objective was to evaluate the effectiveness of NRC support provided to the residents. In addition to the insights gained from the residents, the scope and methodology described in the draft audit report indicated that the following were included: (a) operating documents, including inspection procedures, and inspection manual chapters, (b) policy-related internal communication documents, (c) interviews with NRC staff at headquarters and regional offices, and (d) meetings with regional management. In light of this, the agency would be interested in any additional information from OIG’s audit of these areas and any additional insights regarding the RI perceptions from the survey that would inform its approach to implementing your recommendations.”

OIG Response to Agency Comment 2:

Appendix A of the audit report states that the objective of the audit “...was to *survey* the effectiveness of NRC support provided to the Residents at nuclear power plants, fuel-cycle facilities, and construction sites.” The term “survey” is used to represent the portion of the fieldwork the audit team conducted via an OIG-developed survey, in order to obtain direct feedback and perspectives from Resident Inspectors on various aspects of support. A significant amount of fieldwork consisted of document review which included reviewing internal office and policy related documentation, as well as internal agency Web sites. The audit team also attended regional counterpart meetings and throughout the course of fieldwork interviewed management and staff involved in the Resident Inspector program. In short, the resulting audit report represents a variety of fieldwork activities and is not reliant solely on the results of the Resident Inspector survey.

All pertinent information that directly supports the audit work, including the finding and resulting recommendations, is included in the audit

report. It is not the practice or policy of OIG to share any specific information beyond that which is presented in the audit report, including that which identifies particular staff and/or management with whom the OIG may have interacted.

Agency Comment 3:

“Regional management involvement - Appendix A of the draft report stated that the team met with regional managers. However the draft report does not reflect any results from these meetings. There is a significant regional management role in providing support to RIs. Numerous regional managers were once RIs themselves and they have a genuine interest in the well-being of the RI staff, including technical and quality of life factors. Every manager that has spent time at a site is an instinctive champion for the RIs. Each of the significant interactions outlined below provide opportunities for residents to directly interface with multiple levels of regional management:

- RI branch chief conference calls several times a week
- RI quarterly calls with division management
- RI quarterly calls with regional administrators (may vary by Region)
- Quarterly branch chief site visits
- Division director or deputy site visits (each site about every 24 months)
- Periodic senior management site visits
- RI inspection debriefs and branch findings calls
- Semi-annual regional counterpart meetings”

OIG Response to Agency Comment 3:

OIG agrees that Residents have significant interaction with various managers as shown above. However, this audit was not a review of Residents’ interaction with regional management and other staff. Rather, this audit was focused on reviewing support provided to Residents as well as Residents’ concerns with the resolution of Resident-identified support issues. OIG recognizes the important role that the regional managers play in supporting the Resident Inspector population and as such made note of it in the graphic on page 9 of the

report where the role and interactions of regional and headquarters management are discussed.

As per OIG policy, Appendix A of the report does not explicitly state who the audit team met with and/or interviewed during fieldwork. As noted in OIG's Response to Agency Comment 2, it is not the practice or policy of OIG to share any specific information beyond that which is presented in the audit report, including that which identifies particular staff and/or management with whom OIG may have interacted.

Agency Comment 4:

“Comprehensive program evaluations, performance audits, operating documents, and policy-related documents related to the RI program – Objective evidence of formalized mechanisms for obtaining, reviewing, and responding to RI perspectives regarding the type and level of support they are currently receiving is provided in several documents and internal (pre-decisional and non-public) Web sites, including:

- IMC 0102 Oversight and Objectivity of Inspectors and Examiners at Reactor Facilities
- IMC 0307 Reactor Oversight Process (ROP) Self-Assessment Program and ROP Self-Assessment SharePoint Site
- IMC 0801 Reactor Oversight Process Feedback Program and Associated SharePoint Site”

OIG Response to Agency Comment 4:

The audit team reviewed Inspection Manual Chapter documents during the audit, and concluded that the documents do not describe an institutionalized mechanism of support for Residents. None of the documents describe any mechanisms for Residents or other inspectors to solicit or obtain support. The first document mentions Residents within the context of managers' supervisory oversight of Residents in order for Residents to maintain objectivity. There is no discussion in the document about how Residents can use this performance oversight

Inspection Manual Chapter for obtaining support. The latter two documents describe mechanisms for ROP evaluation and improvements, not inspector support. OIG acknowledges that some suggestions for program improvement may also serve as a form of support. However, OIG has concluded such instances would be coincidental to the overall purpose of the IMCs to evaluate and solicit suggestions for program-level improvements.

Agency Comment 5:

“Internal (pre-decisional and non-public) Web pages, SharePoint sites, online forums, newsletters, etc. – are readily accessible to RIs and provide support and opportunities for RIs to engage in a timely manner and enable them to perform their jobs.

- Nuclear Reactor Regulation (NRR), Division of Inspection and Regional Support (DIRS), Reactor Inspection Branch (IRIB), Performance Assessment Branch (IPAB) and Regions 1, 2, 3, and 4 SharePoint Sites.
- ROP Digital City Web Site
- Projects and Working Groups SharePoint Site
- Inspector News Letter SharePoint Site
- Office of Enforcement SharePoint Site
- Reactor OpE Information Gateway Web Site”

OIG Response to Agency Comment 5:

The aforementioned electronic interfaces serve primarily as an information resource for NRC staff in numerous occupations to obtain additional knowledge on, among other things, inspection activities and NRC policy. In that capacity, they are an invaluable tool to NRC staff. However, OIG has concluded that they currently do not serve as a

source of staff or management support for Residents in that these interfaces are passive and thus require the end-user to be aware of them, have an operating knowledge of how they work and what types of information they contain, and have the time to search through them. Their passive nature also means that a timely and/or official response to a question or comment raised by a Resident is not guaranteed.