

August 26, 2014

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

FROM: Glenn M. Tracy, Director **/RA/** (G.Holahan for)
Office of New Reactors

SUBJECT: STATUS OF RECOMMENDATIONS AND STAFF RESPONSE TO
THE OFFICE OF THE INSPECTOR GENERAL'S AUDIT OF NRC'S
INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA
PROCESS (OIG-12-A-16)

This memorandum provides the U.S. Nuclear Regulatory Commission (NRC) staff's updates for the remaining open recommendations from the Office of the Inspector General's (OIG's) audit OIG-12-A-16, "Audit of NRC's Inspections, Tests, Analyses, and Acceptance Criteria (ITAAC) Process," dated July 12, 2012. The staff continues to implement actions in response to the OIG's audit and believes that it remains responsive to the OIG's recommendations. The staff believes that the updated planned actions for resolved Recommendations 4 and 10 are responsive to OIG's analysis. Recommendations 1, 2, 3, 5, 6, 7, 8, and 9 are closed. Enclosure to this memorandum presents the history of correspondence for this audit.

Recommendation 1:

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

Status: Closed.

Recommendation 2:

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

Status: Closed.

CONTACT: Steven Bloom, NRO/DCIP
301-415-2431

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.

Status: Closed.

Recommendation 4:

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

OIG Analysis dated October 21, 2013: The proposed actions continue to meet the intent of OIG's recommendation. OIG acknowledges the scheduled completion date of September 30, 2014, following submission of an SOW in January 2014. OIG will close this recommendation upon completion, issuance, and OIG review of the new training needs assessment guidance. This guidance will include a three-stage training needs evaluation process that includes organizational, occupational, and individual assessments as outlined in existing NRC and Office of Personnel Management guidance, as well as development and delivery of training.

Status: Resolved.

Because of delays in the contracting process, the task order for training design and development was not issued until July 2014. The Office of the Chief Human Capital Officer and the Office of New Reactors (NRO) held a kickoff meeting with the contractor on July 24, 2014, to clarify the requirements for the training and to develop a project schedule. The contractor has completed a draft design document and is beginning work on course storyboards. Based on the development schedule, all work and testing will be completed by October 31, 2014. The training will be available for users to access through iLearn.

Point of contact: James Gaslevic, NRO/DCIP
301-415-2776

Target completion date: October 31, 2014.

Recommendation 5:

Designate a specific project manager for Construction Inspection Program Information Management System (CIPIMS) as required by the Project Management Methodology (PMM).

Status: Closed.

Recommendation 6:

Develop and maintain project artifacts for CIPIMS as required in the PMM.

Status: Closed.

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.

Status: Closed.

Recommendation 8:

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

Status: Closed.

Recommendation 9:

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

Status: Closed.

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.

OIG Analysis dated April 15, 2014: The agency's actions partially meet the intent of OIG's recommendation. OIG notes that although this recommendation was issued in July 2012, the agency has yet to establish dates for completion and implementation of a change management program. OIG further notes that the proposed model OIS guidance does not contain all of the elements of a complete change management process. OIG will close this recommendation upon agency completion and OIG review of the change management process guidance to ensure it contains all of the elements of a complete change management process, and subsequent implementation of the process.

Status: Resolved.

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NRO Staff continues to develop a formal change-management process that can be used to address future changes in the ITAAC process. This process instruction has been written and is currently being routed for concurrence through the other divisions within NRO. Based on the duration of the concurrence process, the targeted completion date is October 31, 2014.

Point of contact: Steven Bloom, NRO/DCIP
301-415-2431

Target completion date: October 31, 2014.

Enclosure:
Correspondence History

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

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*via e-mail

NRO-002

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DATE	8/21/2014	8/26/2014 (G.Holahan for)			

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Correspondence History
OIG-12-A-16, "Audit of NRC's ITAAC Process"

July 12, 2012. *Audit Report:* AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS (OIG-12-A-16).
Agencywide Documents Access and Management System (ADAMS) Accession No. ML12194A434.

August 16, 2012. *Memorandum to the Assistant Inspector General for Audits:* STAFF RESPONSE TO THE OFFICE OF THE INSPECTOR GENERAL'S AUDIT OF THE NUCLEAR REGULATORY COMMISSION'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS (OIG-12-A-16).
ADAMS Accession No. ML12212A177.

October 4, 2012. *Memorandum to the Executive Director for Operations:* STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS (OIG-12-A-16).
ADAMS Accession No. ML12278A144.

January 31, 2013. *Memorandum to the Assistant Inspector General for Audits:* STATUS OF RECOMMENDATIONS AND STAFF RESPONSE TO THE OFFICE OF THE INSPECTOR GENERAL'S AUDIT OF THE U.S. NUCLEAR REGULATORY COMMISSION'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA PROCESS (OIG-12-A-16).
ADAMS Accession No. ML13002A423.

May 6, 2013. *Memorandum to the Executive Director for Operations:* STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS (OIG-12-A-16).
ADAMS Accession No. ML13126A005.

August 1, 2013. *Memorandum to the Assistant Inspector General for Audits:* STATUS OF RECOMMENDATIONS AND STAFF RESPONSE TO THE OFFICE OF THE INSPECTOR GENERAL'S AUDIT OF THE U.S. NUCLEAR REGULATORY COMMISSION'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA PROCESS (OIG-12-A-16).
ADAMS Accession No. ML13192A297.

October 21, 2013. *Memorandum to the Executive Director for Operations:* STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS (OIG-12-A-16).
ADAMS Accession No. ML13294A570.

March 5, 2014. *Memorandum to the Assistant Inspector General for Audits:* STATUS OF RECOMMENDATIONS AND STAFF RESPONSE TO THE OFFICE OF THE INSPECTOR GENERAL'S AUDIT OF THE U.S. NUCLEAR REGULATORY COMMISSION'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA PROCESS (OIG-12-A-16).
ADAMS Accession No. ML14043A210.

April 15, 2014. *Memorandum to the Executive Director for Operations:* STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA (ITAAC) PROCESS (OIG-12-A-16).
ADAMS Accession No. ML14105A470.