

August 11, 2015

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

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

SUBJECT: STATUS OF RECOMMENDATIONS AND STAFF RESPONSE
TO THE OFFICE OF THE INSPECTOR GENERAL'S AUDIT OF
THE NUCLEAR REGULATORY COMMISSION'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 recommendation 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 has completed actions in response to the OIG's audit and believes that the completed actions for resolved Recommendation 10 are responsive to OIG's analysis. Recommendations 1, 2, 3, 4, 5, 6, 7, 8, and 9 are closed. The 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: James Gaslevic, NRO/DCIP
301-415-2776

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.

Status: Closed.

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 2, 2015: The agency's actions continue to partially meet the intent of OIG's recommendation. OIG reviewed NRO's Change Management guidance, issued on December 17, 2014, and found that it provides an adequate basis for a planned, systematic approach to change management as it relates to the ITAAC process. However, OIG notes that there are still weaknesses in the guidance, particularly regarding specifics of how to implement the change management process and, more importantly, when the change management process must be used (rather than should or could be used) or what kind of training is required. For example, the procedure states that that training will be provided "as needed," but provides no additional detail. This procedure is an adequate first step, but for closure, additional steps are needed to include specific guidance on training, management involvement in implementation, and communication of the new procedures/process.

Furthermore, OIG notes that on March 19, 2015, OIG initiated a wider audit of NRC's overall change management process and that the outcome of that audit could affect this guidance.

Status: Resolved.

The ITAAC and Generic Communications Branch (IGCB) has refined its formal change management process for addressing future changes in the ITAAC process. The "Change Management for ITAAC Processes" procedure has been enhanced to incorporate OIG recommendations regarding process implementation, including when the process must be followed. The revised procedure also contains additional guidance on training and communication. The procedure is available in the NRC's Agencywide Documents Access and Management System at Accession No. ML14212A470 and on the IGCB SharePoint page at: http://epm.nrc.gov/inspection/ITAAC_dac/default.aspx.

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

Target completion date: Completed.

Enclosure:
Correspondence History

cc: Chairman Burns
Commissioner Svinicki
Commissioner Ostendorff
Commissioner Baran
SECY
EDO

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Commissioner Svinicki
Commissioner Ostendorff
Commissioner Baran
SECY
EDO

DISTRIBUTION: OEDO-15-00276
See next page.

ADAMS Accession No.: ML15097A548		*via e-mail	NRO-002
OFFICE	NRO/DCIP/IGCB	NRO/DCIP/IGCB	OGC (NLO)
NAME	JGaslevic	BAnderson	AWilson
DATE	7/21/15	7/22/15	7/30/15
OFFICE	QTE*	NRO/DCIP	NRO
NAME	CHsu	MCheok	GTracy/GHolahan for
DATE	7/27/15	8/3/15	8/11/15

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CRITERIA PROCESS (OIG-12-A-16)

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RidsOgcMailCenter

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RidsRgn2MailCenter

RidsNrrOd Resource

RidsNroDcipCMVB

RidsHrMailCenter Resource

SZane. OIG

JGordon, OIG

SDingbaum, OIG

JArildsen, OEDO

DAyres

JBeardsley

ERoach

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.

Enclosure

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.

August 26, 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 NRC's Inspections, Tests, Analyses, and Acceptance Criteria Process (OIG-12-A-16).

- ADAMS Accession No. ML14216A597.

September 29, 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. ML14272A299.

February 20, 2015. *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 Nuclear Regulatory Commission's Inspections, Tests, Analyses, and Acceptance Criteria Process (OIG-12-A-16).

- ADAMS Accession No. ML15020A169.

April 2, 2015. *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. ML15092A818.