



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

**OFFICE OF THE
INSPECTOR GENERAL**

January 5, 2016

MEMORANDUM TO: Victor M. McCree
Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S
PROCESS FOR REVISING MANAGEMENT DIRECTIVES
(OIG-14-A-19)

REFERENCE: DIRECTOR, OFFICE OF ADMINISTRATION, MEMORANDUM
DATED NOVEMBER 30, 2015

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the agency's response dated November 30, 2015. Based on this response, recommendation 3 is closed. Recommendations 1, 2, 4-6, and 8-9 remain in resolved status. Recommendation 7 was previously closed. Please provide an updated status of the resolved recommendations by April 29, 2016.

If you have any questions or concerns, please contact me at 415-5915 or Eric Rivera, Team Leader, at 415-7032.

Attachments: As stated

cc: M. Johnson, OEDO
F. Brown, OEDO
C. Carpenter, ADM
J. Jolicoeur, OEDO
EDO_ACS Distribution

Audit Report

AUDIT OF NRC'S PROCESS FOR REVISING MANAGEMENT DIRECTIVES

OIG-14-A-19

Status of Recommendations

Recommendation 1:

Revise MD 1.1 to

- a. Elevate authority required for approving extensions. Extensions can only be granted by the Chairman, the Executive Director for Operations, the Chief Financial Officer, or their designees (no lower than Deputy Executive Directors for Operations, Assistant for Operations, or Deputy Chief Financial Officer), as appropriate.
- b. Include guidelines for resetting MD initial due dates. Require Executive Director for Operations, or designee, approval to reset initial due dates. Clearly state the parameters for resetting due dates.
- c. Clearly state the parameters and guidelines for granting extensions, and provide that even if an extension is granted, the authoring office will receive a "red" on the corporate measure scorecard unless they also meet the new MD 1.1 guidelines (recommendation 1.b) for having the initial due date reset.

Agency Response Dated
November 30, 2015:

Agree. The Office of Administration (ADM) has reviewed the MD extension process and is revising MD 1.1, "NRC Management Directives System," to incorporate changes to the MD revision process since the MD was last issued in 2011. On April 3, 2015, the Deputy Executive Director for Corporate Management issued a memorandum to offices implementing new policy and procedures for extensions to MD due dates (ADAMS Accession No. ML15043A789). The new policy and procedures will be captured in the revised MD 1.1. On October 23, 2015, ADM provided MD 1.1 for review and comment from the Offices of the General Counsel, Inspector General, Chief Financial Officer, and the Chief Human Capital Officer (ADAMS Accession No. ML15201A548). The Director of ADM intends to exercise delegated signature authority and issue the MD. This focused change addresses the OIG audit recommendations.

Audit Report

AUDIT OF NRC'S PROCESS FOR REVISING MANAGEMENT DIRECTIVES

OIG-14-A-19

Status of Recommendations

Recommendation 1 (cont.):

This approach is similar to the 2009 revision of MD 1.1, which also addressed OIG audit recommendations. The comment period has been extended to December 14, 2015.

The target completion date to submit the MD to the Director of ADM for review and signature is March 31, 2016, to align with the current revision cycle. ADM is on schedule to meet this target date. The point of contact (POC) for this initiative is Helen Chang.

OIG Analysis:

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews the revised Management Directive 1.1, which incorporates the specific revisions described in Recommendation 1.

Status:

Resolved.

Audit Report

AUDIT OF NRC'S PROCESS FOR REVISING MANAGEMENT DIRECTIVES

OIG-14-A-19

Status of Recommendations

Recommendation 2: Require a suspense due date for final concurrence/approval by the Executive Director for Operations and Chairman when submitting MD concurrence packages to those offices, so that the MD can be tracked in the Office of the Executive Director for Operations' tracking system.

Agency Response Dated
November 30, 2015:

Agree. ADM anticipates this recommendation will be addressed by the upcoming revision of the Internal Commission Procedures (Handbook); ADM is awaiting final Commission vote on this matter. EDO action due dates will be captured on the MD routing and transmittal form. The target completion date for this recommendation is March 31, 2016. ADM is on schedule to meet this target date. The POC for this initiative is Helen Chang.

OIG Analysis:

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews documentation that requires a suspense due date for final concurrence/approval by the Executive Director for Operations and Chairman and proof that the MD is being tracked in the Office of the Executive Director for Operations' tracking system.

Status:

Resolved.

Audit Report

AUDIT OF NRC'S PROCESS FOR REVISING MANAGEMENT DIRECTIVES

OIG-14-A-19

Status of Recommendations

Recommendation 3: Require MD author participation in ADM's MD revision "kickoff" meetings.

Agency Response Dated November 30, 2015: Agree. On April 3, 2015, the Deputy Executive Director for Corporate Management issued a memorandum to offices implementing the new meeting requirement (ADAMS Accession No. ML15043A789). ADM considers this recommendation closed. The POC for this initiative is Helen Chang.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. OIG received and reviewed the April 3, 2015, memorandum from the Deputy Executive Director for Corporate Management that contains the requirement for MD author participation in ADM's MD revision "kickoff" meetings. Therefore, this recommendation is closed.

Status: Closed.

Audit Report

AUDIT OF NRC'S PROCESS FOR REVISING MANAGEMENT DIRECTIVES

OIG-14-A-19

Status of Recommendations

Recommendation 4: Develop and implement a performance measure that effectively evaluates MD revision timeliness for MDs that begins with the kickoff meeting and ends with the issuance date of the MD. In addition, provide the reported results quarterly to the Office of the Executive Director for Operations and office directors.

Agency Response Dated
November 30, 2015:

Agree. On August 28, 2015, the Performance Improvement Panel voted to incorporate the reclassified agencywide indicator into the FY 2016 performance measures. The performance measure begins from the required kickoff meeting and ends at MD issuance. The reporting will begin fiscal year (FY) 2016 Q3. The measure is available at [SharePoint page](#) for FY 2016 Performance Indicators. The target completion date to finalize and implement the new corporate measure and reporting requirements is March 31, 2016. ADM is on schedule to meet this target date. The POC for this initiative is Helen Chang.

OIG Analysis:

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews documentation that shows (1) ADM has developed and implemented a performance measure that effectively evaluates MD revision timeliness that begins with the kickoff meeting and ends with MD issuance, and (2) the agency provided the first quarterly results to the Office of the Executive Director for Operations and office directors.

Status:

Resolved.

Audit Report

AUDIT OF NRC'S PROCESS FOR REVISING MANAGEMENT DIRECTIVES

OIG-14-A-19

Status of Recommendations

Recommendation 5: Develop and implement an effective process to link MDs to yellow policy announcements at the time offices issue the yellow policy announcements.

Agency Response Dated
November 30, 2015:

Agree. In December 2015, ADM will issue the memo to implement the process to link MDs to yellow policy announcements at the time offices issue the yellow policy announcements (ADAMS Accession No. ML15162B073). In each referenced MD, the agency will direct staff to the index of yellow announcements to MDs, for the current list of applicable announcements. The POC for this initiative is Helen Chang.

OIG Analysis:

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews documentation showing that ADM has developed and implemented an effective process to link management directives to yellow policy announcements at the time offices issue the yellow policy announcements.

Status:

Resolved.

Audit Report

AUDIT OF NRC'S PROCESS FOR REVISING MANAGEMENT DIRECTIVES

OIG-14-A-19

Status of Recommendations

Recommendation 6: Develop and implement an adequate mechanism to track yellow policy announcements.

Agency Response Dated
November 30, 2015: Agree. ADM is continuing its review of the agency's catalog of yellow policy announcements. ADM is developing and implementing a process to track yellow policy announcements. The target completion date for this new tracking system, including process and procedures, is January 30, 2016. ADM is on schedule to meet this target date. The POC for this initiative is Helen Chang.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews documentation showing that ADM has developed and implemented an adequate mechanism to track yellow policy announcements.

Status: Resolved.

Audit Report

AUDIT OF NRC'S PROCESS FOR REVISING MANAGEMENT DIRECTIVES

OIG-14-A-19

Status of Recommendations

Recommendation 8: Revise the list of "Related Policy Documents" for each MD to include only yellow policy announcements issued after the current MD version date.

Agency Response Dated November 30, 2015: Agree. ADM is developing a new process to display yellow policy announcements that have been issued after the issuance date of the current MD. ADM will revise the list of "Related Policy Documents" for each MD. The target completion date for the new process is January 30, 2016. ADM is on schedule to meet this target date. The POC for this initiative is Helen Chang.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews the revised list of "Related Policy Documents" for each MD, and determines it includes only yellow policy announcements issued after the current MD version date.

Status: Resolved.

Audit Report

AUDIT OF NRC'S PROCESS FOR REVISING MANAGEMENT DIRECTIVES

OIG-14-A-19

Status of Recommendations

Recommendation 9: Revise MD 3.16 to require an expiration date for yellow policy announcements.

Agency Response Dated November 30, 2015: Agree. ADM will revise MD 3.16, "NRC Announcement Program," to ensure that the information identified in Recommendations 7, 8, and 9 is incorporated in agencywide guidance. On November 5, 2015, ADM provided MD 3.16 for review and comment (ADAMS Accession No. ML 15286A450). The Director of ADM intends to exercise delegated signature authority and issue the MD. The target completion date for the new process requiring an expiration date is June 30, 2016. ADM is on target to meet this target date. The POC for this initiative is Helen Chang.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews the revised Management Directive 3.16, and determines it requires an expiration date for yellow policy announcements.

Status: Resolved.