



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

October 14, 2016

MEMORANDUM TO: Steven E. Zane
Acting Assistant Inspector General for Audits
Office of the Inspector General

FROM: William M. Dean, Director */RA/*
Office of Nuclear Reactor Regulation

SUBJECT: RESPONSE TO OEDO TICKET NUMBER OEDO-16-00350,
REGARDING AUDIT OF NRC'S REACTOR OVERSIGHT PROCESS:
REACTOR SAFETY BASELINE INSPECTION PROCEDURES (OIG-
16-A-12)

This memorandum is in response to OEDO Ticket Number OEDO-16-00350, regarding the Office of the Inspector General (OIG) Audit, OIG-16-A-12, "Audit of NRC's Reactor Oversight Process: Reactor Safety Baseline Inspection Procedures," (Agencywide Documents Access and Management System accession number ML16097A515). The Office of Nuclear Reactor Regulation is providing the response, target completion date, and point of contact for each resolved OIG recommendation (enclosed).

Enclosure:
As stated

CONTACT: Christopher G. Miller, NRR/DIRS
(301) 415-1004

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OFFICE	NRR/DIRS/IRIB	NRR/DIRS/IRIB	NRR/DIRS	NRR
NAME	BMabbott	CRegan	CMiller	WDean
DATE	9/27/2016	9/27/2016	9/29/2016	10/14/16

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**Audit of NRC's Reactor Oversight Process:
Reactor Safety Baseline Inspection Procedures
OIG-16-A-12**

Status Update of Resolved Recommendations

Recommendation 1:

Develop and implement controls to ensure mandatory and discretionary language used in inspection procedures is clear and consistent.

Agency Response

Dated May 6, 2016:

We agree with this recommendation. As part of the ongoing periodic assessment process outlined in Appendix B to Inspection Manual Chapter (IMC) 0307, "Reactor Oversight Process Baseline Inspection Procedure Reviews," the staff has undertaken actions to ensure that baseline inspection procedures are reviewed, and if necessary, revised to ensure mandatory and discretionary language used is clear and consistent. In addition, IMC-0040, "Preparing, Revising and Issuing Documents for the Nuclear Regulatory Commission (NRC) Inspection Manual," will be revised to strengthen relevant provisions and controls associated with establishing mandatory and discretionary inspection language in inspection documents.

Updated Completion Date: 12/31/2017

Point of Contact: Christopher G. Miller, 301-415-1004

Status:

Resolved June 6, 2016, per ML16158A058, "Status of Recommendations: Audit of NRC's Reactor Safety Baseline Inspection Procedures (OIG-16-A-12).

Update:

Reviews of the Reactor Oversight Process Baseline Inspection Procedures, conducted in accordance with IMC-0307(b), have been completed. The procedure leads are revising associated procedures in response to the review recommendations and to ensure mandatory and discretionary language used is clear and consistent. To date, two procedures have been revised and issued to ensure clarified mandatory and discretionary language used is clear and consistent. The remaining procedures are in the process of revision and/or receiving regional review and comment. Recent regional and HQ resource reductions and redirection of staff effort to higher priority work precludes near term completion of the procedure revisions and warrants a change from December 31, 2016, to December 31, 2017, for expected completion. The new completion date of December 31, 2017, is to coincide with the beginning of the next annual inspection cycle. Inspection Manual Chapter 0040, "Preparing, Revising and Issuing Documents for the NRC Inspection Manual," has been reviewed and revisions have been drafted to strengthen

Enclosure

relevant provisions and controls associated with establishing mandatory and discretionary inspection language in inspection documents. The revised draft IMC-0040 is currently in management review. The final revision of IMC-0040 is expected to be issued by December 31, 2016.

Recommendation 2:

Notify staff and managers of controls developed to ensure that mandatory and discretionary language used in inspection procedures is clear and consistent.

Agency Response

Dated May 6, 2016:

We agree with this recommendation. Once IMC-0040 has been revised to incorporate more stringent controls and provisions to ensure that mandatory and discretionary language used in inspection procedures is clear and consistent, all regional inspection management and staff will be formally notified through a memorandum from the Director, Division of Inspection and Regional Support, Office of Nuclear Reactor Regulation.

Completion Date: 12/31/2016

Point of Contact: Christopher G. Miller, 301-415-1004

Status:

Resolved June 6, 2016, per ML16158A058, "Status of Recommendations: Audit of NRC's Reactor Safety Baseline Inspection Procedures (OIG-16-A-12).

Update:

The draft revision to IMC-0040 is currently in review. Once the IMC-0040 revision has been issued, staff notification of the revision will be promulgated via memorandum from the Director, Division of Inspection and Regional Support, Office of Nuclear Reactor Regulation. Issuance of this memo is expected to be concurrent with the issuance of the revised IMC-0040, therefore this item is expected to be completed December 31, 2016.