



OFFICE OF THE  
INSPECTOR GENERAL

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

October 23, 2019

MEMORANDUM TO: Margaret M. Doane  
Executive Director for Operations

FROM: Dr. Brett M. Baker */RA/*  
Assistant Inspector General for Audits

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S  
PROCESS FOR MODIFYING AND COMMUNICATING  
STANDARD TECHNICAL SPECIFICATIONS  
(OIG-18-A-15)

REFERENCE: DIRECTOR, OFFICE OF NUCLEAR REACTOR  
REGULATION, MEMORANDUM DATED JULY 15, 2019

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the agency's response dated July 15, 2019. Based on this response, recommendation 8 is now closed. Recommendations 1, 2, 3, 4, 5, 6, and 7 were previously closed. Therefore, all recommendations related to this report are now closed.

If you have questions or concerns, please call me at (301) 415-5915, or Paul Rades, Team Leader, at (301) 415-6228.

Attachment: As stated

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## Audit Report

### AUDIT OF NRC'S PROCESS FOR MODIFYING AND COMMUNICATING STANDARD TECHNICAL SPECIFICATIONS

OIG-18-A-15

#### Status of Recommendations

Recommendation 8: Implement quality assurance measures to address billing verification oversight.

Agency Response Dated  
July 15, 2019:

The staff agrees with the recommendation. Corrective actions are complete. In fiscal year 2018, the NRC implemented a new Cost Activity Code (CAC)/Docket/Enterprise Project Identifier (EPID) coding structure for fee-billable work and the new Cost Activity Code System (CACS) for managing the CAC codes and staff assignments. The Office of the Chief Financial Officer (OCFO) has undertaken a project to improve the fees validation process. The objective is to implement a clearly defined validation process that is effective and efficient for all staff and management to follow. The validation process provides improved accountability and control over the data; allows for a complete and timely validation and certification of all hours and contract costs under Title 10 of the *Code of Federal Regulations* (10 CFR) Part 170, "Fees for Facilities, Materials, Import and Export Licenses, and Other Regulatory Services under the Atomic Energy Act of 1954, as Amended"; and results in improved billing accuracy. The OCFO Accounts Receivable Branch is leading this effort, with participation from program and regional office staff. A key component of the standardized fees validation process is the identification of the EPID contact and the EPID contact supervisor who will be responsible for ensuring the accuracy of all labor and contract costs recorded to an EPID for a given docket or licensee. To that end, the NRC has taken the following actions:

- OCFO has modified the CACS to allow for the functions of creating and managing EPIDs. Like the previous approach to CACs, the CACS has become the single authoritative source for managing EPIDs. OCFO has established various controls over EPID setup to ensure accurate identification of the

## **Audit Report**

### **AUDIT OF NRC'S PROCESS FOR MODIFYING AND COMMUNICATING STANDARD TECHNICAL SPECIFICATIONS**

**OIG-18-A-15**

#### **Status of Recommendations**

##### Recommendation 8 (cont'd)

EPID contact and EPID contact supervisor now that the management of EPIDs has been migrated to CACS from the Enterprise Data Management System.

- The Office of Nuclear Reactor Regulation (NRR) has modified the Reactor Program System (RPS) to include the EPID contact and EPID contact supervisor as required fields when creating inspection and licensing EPIDs for interfacing into the CACS and the Human Resource Management System for labor reporting.

- The OCFO Labor Administration Fee Billing Branch has completed training the program and regional office staff on the new standardized process.

Completion date: June 27, 2019

##### **OIG Analysis:**

Actions described in the staff's response meet the intent of this recommendation. OIG has verified these actions through follow up discussions with agency staff and review of supplementary documentation regarding new EPID management controls and training of cognizant staff on use of the new controls. This recommendation is therefore closed.

##### **Status:**

Closed.