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CONSUMERS POWER COMPANY
MIDLAND ENERGY CENTER

50-329
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Transmittal No: CSC-7458

Date: March 14, 1984

To: Stone & Webster
P O Box 1963
Midland, MI 48640

Attached Is: ☐ Partial Response To
☒ Complete Response To
☐ For Your Information
☐ Other

PRINCIPAL STAFF			
EA	lar	DE	
D/RA		DE	
A/RA		DE	
RC		DE	
PAO		SCS	
SGA		ML	
ENF		File	

Description:

Tracked Information Item 058
Tracked Information Item 059
Tracked Recommendation Item 060.

NIR Signature: *JD 4*

cc: JGKepler, NRC Region III w/a
JHarrison, NRC Region III w/a
RJCook, NRC Site w/a
RAWells, MPQAD w/a
BHPeck, MEC w/a
NIREichel, MEC w/a
DDJohnson, MEC w/a

MAR 19 1984

MAR 18 1984

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PDR ADDCK 05000329
A PDR

IEO/111

This item states that it is not apparent from a review of past audits and Audit Schedules that all applicable criteria from 10CFR50, Appendix B are addressed. It is the C.O recommendation that all past audits be reviewed to assure that all applicable criteria are covered during annual audits.

The A&MS and MPQAD Audit Schedules and the newly developed Master Audit Plan do provide evidence that a comprehensive Quality Assurance Audit Program for the Midland Project has been established. Programmatic quality audits are performed by A&MS, engineering design audits performed by DQAE and implementation (specific task) audits are performed by Site Audit Branch. The Site Audit Branch therefore concluded that essential elements of the Quality Assurance Program and applicable criteria have been addressed during annual audits and there is no need to review past Audit Reports. The audit program for E&W, CP Co and Bechtel uses as its basis the requirements of their Topical Reports which have been reviewed by the NRC and accepted as appropriate methods to implement 10CFR50, Appendix B Criteria. Using these documents as a basis ensures that Midland Project audits provide full coverage of the accepted QA Program. In addition, MPQAD Site Audit Branch and A&MS will look at past third party audits. This review will determine if the third party raised concerns which addressed a lack of the applicable criteria being covered during annual audits. The results of the evaluation will be forwarded to the CIO Program Manager.

It should be noted that the Site Audit Branch is developing a computerized procedural matrix, which aligns all construction and quality assurance procedures used on the site with the applicable 18 Criteria. This system will also indicate the procedural coverage of the Site Audit Branch programs.

STONE & WEBSTER
CONSTRUCTION IMPLEMENTATION
OVERVIEW
MIDLAND NUCLEAR PLANT J.O. NO. 14509

ITEM NUMBER 059 HOLD POINT NUMBER

- ☐ TRACKED ACTION ITEM
☒ TRACKED INFORMATION ITEM
☐ TRACKED RECOMMENDATION ITEM
☐ UNTRACKED ITEM
☐ HOLD POINT NOTIFICATION

REFERENCE(S)

CIO Evaluation No. MP-MIS-072-0001

CONDITION DETAILS

10CFR50, Appendix B, Criterion-No. XVI corrective action requires, in part, that conditions adverse to quality be promptly identified and corrected. The January 1984 Status Report (MPQAD Site Audits) indicated that 37 audit reports were open, of which 22 had been open for six months or longer, some dating back to 1981. 15 of the 37 audit reports had findings overdue.

Records revealed a failure to maintain audit reports and related corrective actions (memo L.J. Barbieri to R.A. Wells 2/7/84).

A review of audits (open and closed) prior to June 1983 should be conducted to assure adequacy of auditing, proper close out of findings, compliance to 10CFR50, Appendix B, and objective evidence as to adequacy of past audits.

Please advise CIO of actions to be taken.

☐ YES (PAGE NO.'S) ☒ NO

ATTACHMENTS

DATE RESPONSE REQ'D.

March 19, 1984

INITIATOR/DATE

Troy K. Hader
R. W. Z. [unclear] 2-15-84

INITIATION APPROVED/DATE

1/9/84
2-18-84

RESPONSE

See Attached

☒ YES (PAGE NO.'S) 2 ☐ NO

ATTACHMENTS

EST. CORRECTIVE ACTION
COMPLETION DATE

RESPONDENT

R. C. Sember
 RC Sember 3/13/84

TITLE

Audit Branch Head

DATE

3/13/84

RESPONSE ACCEPTED

DATE

RESPONSE VERIFIED/CLOSED

DATE

The first paragraph reports there may exist a condition adverse to quality due to overdue and lack of attention to tracking Audit Findings.

The following is a summary and status of open Audit Reports which was developed from a status report which the Audit Branch issues monthly to Consumers Power Company and Bechtel management.

Status of Action Items

1. Audit Reports with open Action Items = 33
2. Audit Reports from #1 above, open 6 months or longer = 21
3. Of #2 above, 11 Audit Reports are indefinitely extended.
4. Of #1 above, open 6 months or less = 12 Audit Reports
5. Of #2 above, only 7 of the cumulative 33 Audit Findings issued with 21 reports are beyond commitment date and all 7 have had reminders issued.
6. Of #5 above, the remaining 26 Findings are not beyond the required commitment response date.
7. From #3 above, the 11 Audit Reports involve a total of 45 Findings which were indefinitely extended as a result of no construction activities on Q work since 2/12/82.
8. Therefore, the Status Summary indicates there are 21 Audit Reports (#2 above) open with action items 6 months or longer and of those 21, 11 have been indefinitely extended because of no construction activity. Therefore, there are 10 Audit Reports open 6 months or longer. Of those 10 Audit Reports, there is a total of 33 open AFR/URIs. Seven of the 33 are open beyond commitment date, with action item reminders issued and the remaining 25 are within commitment dates. Therefore, a review is not warranted at this time because all open action items are being tracked and are not judged to be creating conditions adverse to quality.

The second paragraph states that Audit Reports and related corrective actions were not being maintained. In fact, the Audit Reports and related action items (AFRs, URIs) were being maintained according to MPQAD Procedure F-12M, Rev 4. The requirement as stated in Rev 4 was for the auditor to maintain the original Report and Findings until closure of all outstanding action items and at that time, the Audit Report became a Quality Record and was to be controlled as a Quality Record. It should be understood that this was the practice prior to a singular dedicated audit activity being established on the Midland Project and audits were previously conducted by individual disciplines. The Site Audit Branch, with management agreement, made a decision to centralize and control (and proceduralize this control) all past and related corrective actions. The memo from LJBarbieri to RAWells documented this activity and did not indicate in any way some previous failure to maintain Audit Reports. It should be noted that all Audit Reports with their respective action items have been accounted for as evidenced by Audit Log entries.

Paragraph three recommends a review of all audits (opened and closed) prior to June, 1983, to assure adequacy of auditing proper close-out of Findings, compliance to 10CFR50, Appendix B and objective evidence as to adequacy of past audits. There is no indication that the audits themselves, close-out of findings or compliance to 10CFR50, Appendix B are suspect. To confirm the adequacy of audits performed prior to June, 1983, a nonstatistical sample will be reviewed and an evaluation made over the next 12 months. This will also include a review of any third party concerns. Corrective action will be taken if required. The Site Audit Branch is scheduling future audits which will provide a new look at the same activities and current status will be determined.

STONE & WEBSTER
CONSTRUCTION IMPLEMENTATION
OVERVIEW

MIDLAND NUCLEAR PLANT J.O. NO. 14509

ITEM NUMBER 060 | HOLD POINT NUMBER

- ☐ TRACKED ACTION ITEM
☐ TRACKED INFORMATION ITEM
☒ TRACKED RECOMMENDATION ITEM
☐ UNTRACKED ITEM
☐ HOLD POINT NOTIFICATION

REFERENCE(S) Recommendations "MPQAD Site Auditing"
 CIO Evaluation No. MP-MIS-072-0001

CONDITION DETAILS

The following recommendations and beneficial results are divided into three categories:
 (1) Management involvement, (2) Tracking of audits/audit findings (corrective action),
 and (3) Training records and certification of audit personnel.

1. Management Involvement

- a. Revise Volume No. II Procedure 18-1 and F-IM to reflect more accurately
 duties and responsibilities of site audit branch.

Advantage

- 1) To reflect the process currently in use.

Continued on Sheet 2 of 3

☐ YES (PAGE NO.'S) ☒ NO

ATTACHMENTS

DATE RESPONSE REQ'D. March 5, 1984	INITIATOR/DATE <i>J. L. Adams</i> 2-15-84	INITIATION APPROVED/DATE <i>J. L. Adams</i> 2-17-84
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RESPONSE

See Attached

☒ YES (PAGE NO.'S) 2 ☐ NO

ATTACHMENTS

EST. CORRECTIVE ACTION COMPLETION DATE	RESPONDENT <i>R. Sember</i> RCSember 3/13/84	TITLE Audit Branch Head	DATE 3/13/84
RESPONSE ACCEPTED	DATE	RESPONSE VERIFIED/CLOSED	DATE

1. (continued)

- b. Revise Procedure No. F-IM to improve management involvement in evaluating audit results and reoccurring delinquent or inadequate responses, and establish time frame for audit responses/evaluation cycles.

Advantage

- 1) To improve adequacy and timeliness of audit responses.

2. Tracking Audits/Audit Findings (Corrective Action)

- a. Revise procedures to provide instructions for both auditing and audited organizations' responsibilities.

Advantage

- 1) Clear and complete instructions facilitate timely and adequate closure.
- 2) Define responsibilities.

- b. Develop a mechanism to assure that all applicable criterion of 10CFR50, Appendix B, have been audited annually.

Advantage

- 1) Enhances tracking, trending and planning.
- 2) Provides objective evidence that auditing program addresses pertinent criterion from 10CFR50, Appendix B, and is ongoing.
- 3) Aids in auditing/evaluating adequacy of program.

- c. Revise Procedure No. F-IM to clarify the use of an indefinite (hold) status for tracking of audit reports.

Advantage

- 1) Define criteria for use of (hold) status.
- 2) Provide instructions for auditing personnel.
- 3) Reflect current operations.

- d. Copies of all project related audit reports (on or off site) should be retained to closure for information by a site organization.

Advantage

- 1) Provides overview of complete audit program status for the project.
- 2) Provides hard copy for details of open findings.
- 3) Aid to be used in conjunction with Quail.
- 4) Improve tracking and trending.

3. Training Records and Certification of Auditors

- a. Auditors should be included in the computer tracking program for training already in use for other MPQAD personnel.

Advantage

- 1) Provide computerized tracking.
- 2) Provides instant statusing.
- 3) Provides evidence of training.
- 4) Establishes matrix of quality affecting procedures commensurate with job assignment.

- b. Copies of auditors/lead auditors' certifications should be maintained on site for personnel assigned to the project.

Advantage

- 1) Provides objective evidence of audit personnel qualification and certification.

- c. Personnel assigned to the auditing branch should be certified as auditors in accordance with Procedure No. B-6 (auditors) while in training for lead auditor certification.

Advantage

- 1) Provide objective evidence that personnel participating as audit team members are qualified and trained.

- 1a. Volume II, Procedure 18-1, is currently being revised and the responsibilities of the Site Audit Branch will be defined.
- 1b. The Audit Branch has full access to management and it is inherent in the responsibilities of the Audit Branch Head to advise management when higher level management involvement is required. Management is also aware of the status of open action items through the "Audit Summary Status" issued monthly. The F-1M Procedure, Audits, establishes the time frame for corrective action commitments.
- 2a. Volume II, Procedure 18-1 does address CP Co responsibilities of CP Co audited organizations. The instructions for both auditing and audited organization's responsibilities are accomplished through the entrance and exit meetings. MPQAD Procedure F-1M, Audits, is presently being revised and it will be reviewed to ensure the appropriate instructions are clear.
- 2b. The Site Audit Branch recognizes the potential net benefit for such a matrix and had started this effort prior to CIO evaluation. This is not considered a program requirement.
- 2c. Items so identified, IDE, indicate a hold due to project constraints. F-1M will be reviewed to see whether this is needed in the next revision.
- 2d. Site Audit Branch is on distribution for A&MS and DQAE audits so that their Audit Reports can be reviewed for information purposes, and they are generally retained. The Site Audit Branch does retain all information pertinent to open Findings for which responsibility is assigned to the Branch, therefore, the Site Audit Branch is aware of status of reports issued to and by the Audit Branch. DQAE and A&MS are responsible for maintaining their respective audits.
- 3a. The training and certification of CP Co Project Engineering and Construction Audit Team Leaders is performed by A&MS and the periodic status report A&MS provides to the Site Audit Branch for the 9 certified Branch auditors is adequate. The training of Audit Branch personnel is incorporated into the Site Training Matrix. The Audit Branch will discuss with A&MS the possibility of entering certification data for Audit Team Leaders into the computerized tracking system.
- 3b. As stated above, the training and certification is performed by A&MS and the certification records are available in A&MS files in Jackson.
- 3c. The selection of personnel to be assigned to the Audit Branch is based upon a number of criteria, one of which is their past audit experience. The hiring policy for the Audit Branch has been for the candidates to have the required education and audit experience to become Audit Team Leaders and only require CP Co specific training and experience under the CP Co Audit Program prior to certification. Therefore, the qualifications for certification as an Auditor in accordance with CP Co E&QA Procedure B-6 have already been met or exceeded, making the Audit Branch's policy of Audit Team Leaders-in-Training participating in audits more restrictive than certifying the same personnel as Auditors.

(continued.)

3c. (continued)

The time period between their date of hire and certification is usually limited to the time needed to participate in the required number of CP Co audits (usually less than three months). Additionally, CP Co commits to Reg. Guide 1.46 which endorses ANSI N45.2.23, 1978. This Standard only addresses the qualification and certification for Audit Team Leaders, not Auditors.