

December 1, 2005

MEMORANDUM TO: Luis A. Reyes
Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC
BASELINE INSPECTION PROGRAM (OIG-05-A-06)

REFERENCE: DIRECTOR, OFFICE OF NUCLEAR REACTOR
REGULATION, MEMORANDUM DATED OCTOBER 13,
2005

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the agency's response dated October 13, 2005. Based on this updated response, recommendations 5, 6, 7 and 8 are now closed. Recommendations 1, 9 and 10 were closed previously. Recommendations 2, 3, and 4 remain in a resolved status. Resolved recommendations will be closed when OIG receives information confirming that corrective action has been completed on each. Please provide an updated status of all recommendations by May 31, 2006.

If you have any questions or concerns, please call me at 415-5915.

Attachment: Status of Recommendations

cc: W. Dean, OEDO
M. Malloy, OEDO
P. Tressler, OEDO

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Status of Open Recommendations

Recommendation 2: Develop guidance on how to identify human performance trends and how that information should be integrated into the reactor oversight process (ROP).

Agency's Updated Response
Of October 13, 2005:

Enhancements to the ROP treatment of cross-cutting issues to more fully address safety culture are being made as a result of the Staff Requirements Memorandum (SRM)/SECY-04-0111, "Recommended Staff Actions Regarding Agency Guidance in the Areas of Safety Conscious Work Environment and Safety Culture," dated August 30, 2004. In response to the SRM, the Agency established the Safety Culture Working Group with the goal of enhancing the Agency's evaluation of a licensee's safety culture through the Reactor Oversight Process' (ROP) treatment of cross-cutting issues and inspection procedures.

The Safety Culture Working Group developed the Safety Culture Response Plan [ML052150352] to identify activities in support of the Commission's SRM. Human performance, an ROP cross-cutting area, is an important part of Safety Culture and will be evaluated and assessed as part of this effort to enhance the ROP. In general, the Response Plan indicates that the Safety Culture Working Group will (1) identify Safety Culture Attributes and Elements, and associated Inspection Information and Measures, (2) determine if they are currently included within the ROP Cross Cutting Areas or the inspection procedures, (3) propose modifications to enhance the ROP to more fully address safety culture and (4) train NRC inspectors on the enhanced ROP processes.

In a letter to OIG dated July 26, 2005, we stated that the target date for developing an action plan to address Recommendation 2, was December 31, 2005. The staff believes that the Safety Culture Response Plan will address OIG's recommendation by assessing the human performance cross-cutting area and identifying inspection information and measures to objectively assess this area to provide insights into a licensee's safety culture. Hence the Response Plan [ML052150352] is submitted as our action plan in support of Recommendation 2.

Our target date for completing this action remains September 28, 2007.

OIG Analysis: Based on the agency's response and the additional information provided at an October 31, 2005 meeting with NRR staff, OIG agrees that progress is being made to bring this recommendation to closure. OIG will close this recommendation when all actions are complete.

Status: Resolved.

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Status of Open Recommendations

Recommendation 3: Develop and implement guidance for documenting, tracking, and trending informal inspection issues.

Agency's Updated Response
Of October 13, 2005:

No change since NRR memorandum dated July 26, 2005
[ML051880296].

Our target date for completing this action is December 31, 2005.

OIG Analysis: Based on the agency's response and a discussion of this issue with NRR staff on October 31, 2005, OIG continues to note the progress being made to bring this recommendation to closure. OIG will close this recommendation when the agency completes, and OIG has reviewed, the proposed actions.

Status: Resolved.

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Status of Open Recommendations

Recommendation 4: Define "effectiveness" as it pertains to the ROP and establish performance measures and targets to demonstrate that the baseline inspection program meets that definition.

Agency's Updated Response
Of October 13, 2005:

No change since NRR memorandum dated July 26, 2005 [ML051880296].

Our target date for addressing the recommendation and completing the revision to IMC 0307 is December 31, 2005.

OIG Analysis: The agency's proposed actions to address this recommendation were discussed in detail during a meeting between NRR and OIG staff on October 31, 2005. Based on that discussion, OIG acknowledges the further progress made in efforts to bring this recommendation to closure. OIG will close this recommendation once the proposed revisions to IMC 0307 are completed and OIG has reviewed the updated version.

Status: Resolved.

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Status of Open Recommendations

Recommendation 7: *Provide guidance for vendor-specific training in resident inspector training requirements.*

Agency's Updated Response
Of October 13, 2005:

We recognize the importance of training resident inspectors to understand the specific reactor technology at their plants. The staff developed a feedback form (1245-850) to address this recommendation. In May 2005, the IMC 1245 management steering group (MSG), consisting of regional division and deputy division directors and the program office branch chief, discussed the feedback form. The MSG decided to revise IMC 1245 to require vendor-specific training for operations inspectors and that the training be completed within 2 years of the assignment to a new location. The 2 year timeframe was selected based on the availability of some of the courses (some courses are only taught once per year) and the need for resident coverage (7 weeks away from the site is a significant commitment and the potential need for backfill coverage should be considered).

On September 2, 2005, we issued a revision to IMC 1245 (Change Notice 05-024) [ML052580111] to require that the vendor-specific training be completed within 2 years of assignment.

Awaiting OIG decision on closure.

OIG Analysis: NRR staff provided OIG with a copy of the revision to IMC 1245 at a meeting on October 31, 2005. During subsequent discussion, OIG acknowledged that the limited availability of training courses and the need to backfill for resident inspectors attending a course are key factors in the 2-year timeframe allowed for meeting this new requirement. However, OIG remains concerned with having resident inspectors on-site for up to 2 years without the necessary, and now required, vendor-specific training. Nonetheless, the agency's completed revisions to IMC 1245 satisfied the actions necessary to close this recommendation.

Status: Closed.

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Status of Open Recommendations

Recommendation 8: Improve baseline inspection program guidance to include:

- and
- a. direction for implementing a baseline inspection program completion tracking process using RPS (Reactor Program System) to collect inspection completion data at a plant level in real-time,
 - b. how to document completion and sample sizes in inspection reports, and
 - c. whether performance of one inspection procedure sample can be counted as a sample for another.

Agency's Updated Response
Of October 13, 2005:

- a. Closed. OIG documented closure of part a of this recommendation in a memorandum from Stephen D. Dingbaum to Luis A. Reyes, dated September 16, 2005 [ML052630188].
- b. We have revised IMC 0612 to require sample sizes be stated as part of inspection documentation. The revised guidance requires inspectors to identify what was inspected and how many samples were inspected.

The revision to IMC 0612 was issued on September 30, 2005 (Change Notice 05-028) [ML052730498].

Awaiting OIG decision on closure.

- c. Closed. OIG documented closure of part c of this recommendation in a memorandum from Stephen D. Dingbaum to Luis A. Reyes, dated September 16, 2005 [ML052630188].

OIG Analysis: At a meeting on October 31, 2005, NRR staff provided OIG with a copy of the revision to IMC 0612, effective 9/30/05. Upon OIG review, the agency's completed revision to IMC 0612 satisfies the action necessary to close subpart 8b of this recommendation. Therefore, recommendation 8 is now closed in its entirety.

Status: Closed.