



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

**OFFICE OF THE  
INSPECTOR GENERAL**

November 20, 2012

**MEMORANDUM TO:** R. W. Borchardt  
Executive Director for Operations

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

**SUBJECT:** AUDIT OF NRC'S MANAGEMENT OF THE BASELINE  
SECURITY INSPECTION PROGRAM (OIG-12-A-10)

**REFERENCE:** DIRECTOR, OFFICE OF NUCLEAR SECURITY AND  
INCIDENT RESPONSE, MEMORANDUM DATED  
OCTOBER 24, 2012

Attached is the Office of the Inspector General's (OIG) analysis and status of the recommendations as discussed in the agency's response dated October 24, 2012. Based on this response, recommendations 1, 2, 3, 4, and 5 are in resolved status. Please provide an updated status of the resolved recommendations by July 2, 2013.

If you have any questions or concerns, please call me at 415-5915 or Beth Serepca, Team Leader, at 415-5911.

Attachment: As stated

cc: N. Mamish, OEDO  
K. Brock, OEDO  
J. Arildsen, OEDO  
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## Audit Report

### AUDIT OF NRC'S MANAGEMENT OF THE BASELINE SECURITY INSPECTION PROGRAM

OIG-12-A-10

#### Status of Recommendations

Recommendation 1: Develop and maintain a centralized database of security findings data to be used for evaluating licensee performance trends, and communicating this information to NRC staff, industry, and appropriate public stakeholders.

#### Agency Response

Dated October 24, 2012: A centralized database of security findings data is currently being developed. Staff is working with the Office of Information Services to construct the database and is in the process of determining the data needs of the regional offices and other NRC headquarters program offices.

On May 2, 2012, the Assistant Inspector General for Audits provided the audit report to the Executive Director for Operations. The Office of Nuclear Security and Incident Response (NSIR) is on schedule for full implementation of the centralized database by October 2013, as stated in the audit report. The NSIR point of contact is Shyrl Coker.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. OIG will close this recommendation when OIG staff have reviewed documentation of NSIR's data collection and analysis procedures, and have verified that the centralized security database functions as intended in accordance with Recommendation 1.

**Status:** Resolved.

## Audit Report

### AUDIT OF NRC'S MANAGEMENT OF THE BASELINE SECURITY INSPECTION PROGRAM

OIG-12-A-10

#### Status of Recommendations

Recommendation 2: Formalize and implement a process for maintaining current and accurate data within a centralized database.

Agency Response

Dated October 24, 2012: The development of the NSIR office procedure for maintaining current and accurate security findings data within a centralized database will begin by the end of Calendar Year (CY) 2012.

On May 2, 2012, the Assistant Inspector General for Audits provided the audit report to the Executive Director for Operations. Due to other mission critical tasks of a higher priority, NSIR staff plans to extend the time line for issuance of the NSIR office procedure from the first quarter of CY 2013, as stated in the audit report, until the second quarter of CY 2013. The NSIR point of contact is Shyrl Coker.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. OIG will close this recommendation after OIG staff have reviewed NSIR's new office procedure for maintaining current and accurate security findings data in a centralized database and have verified implementation of this new guidance.

**Status:** Resolved.

## Audit Report

### AUDIT OF NRC'S MANAGEMENT OF THE BASELINE SECURITY INSPECTION PROGRAM

OIG-12-A-10

#### Status of Recommendations

Recommendation 3: Formalize and implement a process for ensuring Safeguards Information (SGI) findings data is current and accessible for use in trending security findings issues.

#### Agency Response

Dated October 24, 2012: The inclusion of formal instructions in an NSIR office procedure, to ensure Safeguards Information findings data is current and accessible for trending purposes, was to begin by the end of CY 2012. These formal instructions are still planned to be incorporated into the same NSIR office procedure as being developed and issued in the above status update for Recommendation 2.

On May 2, 2012, the Assistant Inspector General for Audits provided the audit report to the Executive Director for Operations. Due to other mission critical tasks of a higher priority, NSIR staff plans to extend the time line for issuance of the NSIR office procedure from the first quarter of CY 2013, as stated in the audit report, until the second quarter of CY 2013. The NSIR point of contact is Shyrl Coker.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. OIG will close this recommendation after OIG staff have verified that the NSIR office procedure referenced under Recommendation 2 contains instructions specific to SGI findings data and have confirmed implementation of this new office procedure in accordance with Recommendation 2.

**Status:** Resolved.

## Audit Report

### AUDIT OF NRC'S MANAGEMENT OF THE BASELINE SECURITY INSPECTION PROGRAM

OIG-12-A-10

#### Status of Recommendations

Recommendation 4: Formalize and implement procedures for testing draft Significance Determination Process (SDP) tools by staff to determine how draft tools would screen past violations and/or hypothetical security violations.

Agency Response

Dated October 24, 2012: The NSIR office procedure to implement the practice of testing draft SDP tools is being developed by staff.

On May 2, 2012, the Assistant Inspector General for Audits provided the audit report to the Executive Director for Operations. NSIR staff is on schedule for issuance of this office procedure by the first quarter of CY 2013, as stated in the audit report. The NSIR point of contact is F. Paul Peduzzi.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. OIG will close this recommendation after OIG staff have reviewed NSIR's office procedure for testing draft SDP tools and verified implementation of this new guidance.

**Status:** Resolved.

## Audit Report

### AUDIT OF NRC'S MANAGEMENT OF THE BASELINE SECURITY INSPECTION PROGRAM

OIG-12-A-10

#### Status of Recommendations

Recommendation 5: Formalize and implement a process for performing periodic review of existing security SDP tools to check for consistency of application and results.

Agency Response

Dated October 24, 2012: Inspection Manual Chapter (IMC) 0609, Appendix E, "Significance Determination Process," is currently under revision to incorporate language directing staff to perform an annual audit of the security SDP and associated tools in accordance with IMC 0307, Appendix A.

On May 2, 2012, the Assistant Inspector General for Audits provided the audit report to the Executive Director for Operations. NSIR staff is on schedule to revise IMC 0609, Appendix E, by the end of CY 2012, as stated in the audit report. The NSIR point of contact is F. Paul Peduzzi.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. OIG will close this recommendation after OIG staff have reviewed the updated version of IMC 0609, Appendix E, to ensure that it aligns with IMC 0307, Appendix A, and have verified that a periodic review of security SDP tools are performed in accordance with this updated guidance.

**Status:** Resolved.