



OFFICE OF THE
INSPECTOR GENERAL

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

October 15, 2018

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
SIGNIFICANCE DETERMINATION PROCESS FOR
REACTOR SAFETY (OIG-16-A-21)

REFERENCE: DIRECTOR OF THE OFFICE OF NUCLEAR REACTOR
REGULATION MEMORANDUM DATED SEPTEMBER
17, 2018

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the agency's response dated September 17, 2018. Based on this response, recommendation 4 is now closed, while recommendations 1 and 2 are resolved. Recommendation 3 was previously closed. Please provide a status update for the resolved recommendations by February 1, 2019.

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

cc: R. Lewis, OEDO
H. Rasouli, OEDO
J. Jolicouer, OEDO
J. Bowen, OEDO
EDO_ACS Distribution Resource

Audit Report

AUDIT OF NRC'S Significance Determination Process for Reactor Safety

OIG-16-A-21

Status of Recommendations

Recommendation 1: Assess SDP workflow, and establish, communicate, and document clear and consistent expectations for staff and managers to complete their roles in the SDP.

Agency Response Dated
September 17, 2018: Update

The Inspection Finding Resolution Management (IFRM) trial period began on November 16, 2016, and was completed on December 31, 2017. To support implementation of the IFRM process, several Inspection Manual Chapters (IMC) were issued, including:

- IMC 0609TP, "Significance Determination Process"
- IMC 0609, Attachment 1TP, "Significance and Enforcement Review Panel (SERP)"
- IMC 0609, Attachment 5TP, "Inspection Finding Review Board"

Since the IFRM trial period began, every regional office has had the opportunity to use the above IMC's to assess the SDP workflow, and establish, communicate, and document clear and consistent expectations for staff and managers to complete their roles in the SDP for inspection findings of potentially greater-than-Green significance.

To assess the effectiveness of the IFRM initiative, a team was established with representatives from each regional office, the Office of Nuclear Reactor Regulation (NRR), and other internal stakeholders. In addition, the IFRM process was discussed with external stakeholders during periodic Reactor Oversight Process (ROP) public meetings. The team met on a quarterly basis to provide feedback on the progress being made and to identify areas for improvement.

Following completion of the trial period, an effectiveness review was conducted by a cross-functional team comprised of staff from all regional offices, NRR, and the Office of Enforcement. The effectiveness review report was

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Status of Recommendations

Recommendation 1 (cont.):

issued on May 9, 2018, and is available in the Agencywide Documents Access and Management System. The report contained 11 recommendations, most notably that the IFRM process should be continued with minor changes based on trial period experience and feedback. Following the effectiveness review staff developed revisions to the temporary procedures issued to support the IFRM trial period, and these revised procedures will become the new IMC 0609, IMC 0609 Attachment 1, and IMC 0609 Attachment 5. Regional comment on the revised procedures was requested in August 2018 and staff intends to issue the revised procedures for use by the end of calendar year 2018.

Target date for completion: December 31, 2018
Contact: Alexander D. Garmoe, NRR/DIRS
(301) 415-3814

OIG Analysis:

The proposed actions meet the intent of this recommendation. OIG will close the recommendation after reviewing appropriate documentation, and other information as needed, to verify that staff have undertaken these actions as described.

Status:

Resolved.

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Status of Recommendations

Recommendation 2: Clarify IMC 0612 Appendix B issue screening questions, so that they are readily understood and easily applied.

Agency Response Dated
September 17, 2018: Update

NRR engaged with the regions to explore several options to address this recommendation. The options explored included: 1) revising IMC 0612 to provide guidance on each screening question and to improve the minor examples by linking the examples to the screening questions; 2) leaving the current guidance as is and accepting the differences in the staff's interpretation of the screening questions due to the low safety-significance of these issues and the current processes in place for licensees to contest the Nuclear Regulatory Commission findings; 3) implementing a finding review panel to review minor and Green findings to ensure consistency; and 4) adopting a transformational approach to eliminate the screening of findings at the Green/minor level and the implementation of reduced documentation for White findings. Ultimately, NRR reached alignment with the regions to revise the guidance in IMC 0612 to improve the minor examples by tying each minor example to a screening question. Each region has volunteered a subject matter expert familiar with the use of the screening questions to work with NRR on revising the examples. NRR plans to issue a revision to IMC 0612 incorporating these changes by June 30, 2019.

Target date for completion: January 1, 2019
Contact: Lauren R. Casey, NRR/DIRS
(301) 415-1038

OIG Analysis: The proposed actions meet the intent of this recommendation. OIG will close the recommendation after verifying that changes to the updated inspection guidance support improved inspection issue screening.

Status: Resolved.

Audit Report

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OIG-16-A-21

Status of Recommendations

Recommendation 4: Document independent audits of greater than Green inspection findings.

Agency Response Dated
September 17, 2018:

Update

Independent audits of greater-than-Green inspection findings are performed annually in accordance with Metric R-2, "Predictability and Repeatability of Significance Determination Results," of IMC 0307, Appendix A, "Reactor Oversight Process Self-Assessment Metrics." Metric R-2 and the other ROP self-assessment metrics are reported annually and are referenced in the ROP self-assessment SECY paper.

The 2017 audit of Metric R-2, "Predictability and Repeatability of Significance Determination Results," of IMC 0307, Appendix A, "Reactor Oversight Process Self-Assessment Metrics" is documented in ADAMS. This independent audit supported the results of the R-2 Metric, documented in the 2017 ROP self-assessment metrics evaluation and corresponding 2017 self-assessment SECY paper. The staff recommends closure of Recommendation 4 based on the audit memorandum, the associated ROP self-assessment metric report and the 2017 ROP Self-Assessment SECY.

Date of completion: August 31, 2018
Contact: Mary Anderson, NRR/DIRS
(301) 415-7126

OIG Analysis: .
OIG reviewed documentation of the staff's 2017 audit of greater-than-Green inspection findings and determined that staff actions meet the intent of OIG's recommendation. Therefore, this recommendation is now closed.

Status: Closed.