

HLWM CONTROL SYSTEM

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JAN 22 1990

MEMORANDUM FOR: Ronald L. Ballard, Chief
Geosciences & Systems Performance Branch
Division of High-Level Waste Management

Joseph O. Bunting, Chief
Engineering Branch
Division of High-Level Waste Management

John J. Linehan, Director
Repository Licensing & Quality
Assurance Project Directorate
Division of High-Level Waste Management

FROM: Robert E. Browning, Director
Division of High-Level Waste Management

SUBJECT: INTERNAL HIGH-LEVEL WASTE MANAGEMENT CONTROLS SYSTEM

My memorandum of January 9, 1989 to R. Bernero (attached) formalized implementation of an internal control system for the Division of High-Level Waste Management in response to R. Bernero's memorandum dated November 1, 1988. The purpose of that memorandum was to inform R. Bernero that appropriate controls were in place or being implemented, and to remind you of your responsibility to have an internal control system in place for all significant activities in your areas of responsibility and to periodically assess the effectiveness of these controls.

Sufficient time has passed that we should be able to evaluate the effectiveness of our program. I have decided that a Division-wide evaluation should be made, conducted primarily by the Quality Assurance Section, to avoid excessive demands on your time and to ensure consistency of the evaluation. Depending on the results of this evaluation, it may be feasible to integrate some or all of the Division's Internal Quality Assurance requirements into the internal controls system.

The program evaluation will include, but not be limited to, the following tasks:

- Determine which activities are "significant," and must be conducted in accordance with written procedures; and
- Determine the extent of control required for effective management of each significant activity; and
- Evaluate implementation of existing written procedures; and

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- Determine which existing written procedures appear adequate to control specific significant activities; and
- Recommend revisions to current procedures and preparation of new procedures as required to provide adequate control.

Ken Hooks of the Repository Licensing and Quality Assurance Project Directorate is preparing an evaluation plan for my review and approval which incorporates the above tasks. The evaluation should start no later than February 1990, and be completed no later than April 1990. The evaluation will be conducted, to the extent possible, in such a fashion as to minimize the effects on our production activities. The cooperation of everyone in the Division will be required.

IS/BJY

for: R. E. Browning, Director
Division of High-Level Waste Management

Enclosure: As stated

cc: James E. Kennedy, HLPD

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*See previous concurrence

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BERNERO MEMO

- 1 -

JAN 09 1989

MEMORANDUM FOR: Robert M. Bernero, Deputy Director
Office of Nuclear Material Safety
and Safeguards

FROM: Robert E. Browning, Director
Division of High-Level Waste Management
Office of Nuclear Material Safety
and Safeguards

SUBJECT: DIVISION OF HIGH-LEVEL WASTE MANAGEMENT IMPLEMENTATION
OF INTERNAL CONTROLS

The purpose of this memorandum is to inform you that the Division of High-Level Waste Management (HLWM) is implementing an internal HLWM controls system in response to your memorandum dated November 1, 1988. HLWM has developed Chapter 0261, "Internal HLWM Controls System," that it will place in the Division policy and program manual that it is developing. For your information, a draft copy of the manual is enclosed.

ORIGINAL SIGNED BY

Robert E. Browning, Director
Division of High-Level Waste Management
Office of Nuclear Material Safety
and Safeguards

Enclosure: As stated

cc: H. Thompson, Jr.

DISTRIBUTION:

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NAME: J. Holonich	: J. Linehan	: B. Youngblood	: R. Browning	:	:	:
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UNITED STATES
NUCLEAR REGULATORY COMMISSION
OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS
Washington, D.C. 20555

HIGH-LEVEL WASTE MANAGEMENT

Chapter 0261

INTERNAL HLWM CONTROLS SYSTEM

0261-01 PURPOSE

To describe the internal controls that the Division of High-Level Waste Management (HLWM) has in place to meet the requirements of the Federal Manager's Integrity Act of 1982 to provide internal controls which provide reasonable assurance that the resources of the U. S. Nuclear Regulatory Commission (NRC), high-level waste program are protected against fraud, waste, mismanagement, or misappropriation and that high-level waste program activities are managed efficiently to support the mission of the NRC.

0261-02 POLICY

On a continuing basis, HLWM will assess the internal controls it has in place, and will develop new internal controls as necessary to provide assurance that the HLWM resources are being managed and used in a efficient and effective manner.

0261-03 RESPONSIBILITIES

- 031 Director, HLWM. In consultation with the chiefs of the Geosciences and System Performance Branch (HLGP), Engineering Branch (HLEN), and Director of the Repository Licensing and Quality Assurance Project Directorate (HLPD) determines the need for an internal control review within HLWM. Selects chairman and individuals to perform the necessary evaluations. In accordance with the Federal Manager's Financial Integrity Act of 1982 and the NRC Five-Year Management Control Plan, the Director, HLWM may be directed by the Director, Office of Nuclear Material Safety and Safeguards to perform an internal control review. If this is the case, the Director, HLWM should use the guidance contained in NRC Manual Chapter 0801, "Internal Controls."
- 032 Deputy Director, HLWM. Performs duties of the Director as delegated.
- 033 Director, Repository Licensing and Quality Assurance Project Directorate. On a continuous basis, reviews the HLWM program and identifies areas where internal controls are lacking. Identifies where an internal controls review may be needed.
- 034 Chief, Geosciences and Systems Performance Branch. On a continuous basis, reviews the HLWM program and identifies areas where internal controls are lacking. Identifies where an internal controls review may be needed.
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- 035 Chief, Engineering Branch. On a continuous basis, reviews the HLWM program and identifies areas where internal controls are lacking. Identifies where an internal controls review may be needed.
- 036 Selected Reviewer. If only one program area within HLWM is undergoing an internal control review, the selected reviewer is the individual selected by the Director, HLWM to perform the internal review. The selected reviewer is responsible for contacting HLPD and requesting a TAC number for the internal review. Conducts the review using the information given in Section 042 of this Chapter.
- 037 Chairman, HLWM Internal Review Committee. Coordinates HLWM Internal Review Committee. Is responsible for: (1) opening TAC numbers for the review; (2) ensuring that the committee follows the guidelines developed in this Chapter, and that the committee completes its analysis within the time allotted; and (3) preparing the written summary of the committee findings. This summary is a memorandum from the Chairman to the Director, HLWM providing the results of the Committee review. Attached to the memorandum are the individual reports prepared by the Committee members.
- 038 Internal Review Committee Member. Performs review and evaluation of the activities selected for evaluation by the Director, HLWM using the information provided in this Chapter. Prepares short report on the evaluation per Section 042 of this Chapter and transmits to the Chairman of the committee.

0261-04 IMPLEMENTATION

- 041 Ongoing Evaluation. On an ongoing basis, the Chiefs, HLGP, HLEN, and the Director, HLPD shall evaluate the HLWM program to determine if the Division has an acceptable control system in place for its activities. The basic internal controls of the program activities should consist of:
- (1) the use of written procedures contained in a Chapter in this manual, or other Division guidance such as review plans for significant HLWM activities;
 - (2) documentation of significant activities;
 - (3) records of transactions and events;
 - (4) clear definitions of responsibilities and authority;
 - (5) separation of functions organizationally;
 - (6) qualified and continuous supervision;
 - (7) secured access to resources;

- (8) internal reviews and timely resolution of findings; and
- (9) trained and qualified staff.

If, as part of this continuous evaluation, it is determined that these controls are not being followed or are lacking, the appropriate chief or Director, HLPD shall identify this to the Director, HLWM. This identification should be a short memorandum identifying the program area where internal controls are lacking and the types of controls missing. After reviewing the information provided by the chiefs, or Director, HLPD, the Director, HLWM will determine the need for a HLWM internal controls review. If the Director, HLWM determines that a internal review is needed, the guidelines identified in Section 042 below will be used.

- 042 HLWM Internal Reviewer/Review Committee. Once the Director, HLWM has determined that an internal review committee is necessary, he shall identify an individual from HLWM who shall be responsible for evaluating the effectiveness and efficiency of the internal controls in the selected program area. The individual selected shall be independent of the activity be evaluated.

If more than one HLWM program area is being evaluated, the Director, HLWM may form a committee to perform the internal review. If a committee is used, the Director, HLWM selects a HLWM staff member to act as the chairman of the committee. In selecting the chairman, the Director, HLWM will ensure that the HLWM staff member is independent of the program area being evaluated.

At least two members of the HLWM staff shall serve on the HLWM Internal Review Committee. These two members will be selected by the Director, HLWM, and must be independent of the activity being reviewed. The members can be from the branch, or HLPD, that has the lead for the program activity being evaluated; however, they should not have any direct responsibility for the activity.

In performing the internal review, the selected individuals should use the nine items discussed in Section 041 of this Chapter to determine if effective and efficient controls are in place. The evaluation should include: (1) a review of procedures; (2) an evaluation of final products such as inspection reports; and (3) interviews with HLWM staff members to ensure that the staff is aware of the procedure, understands, and implements it. During the evaluation, the selected individual should conduct the review using the nine items from Section 041 as questions to be answered or objectives that the program area should have. For example, the reviewer should ask the question, "Are there written procedures for conducting this significant activity?" If there are, then the reviewers should evaluate the procedures to determine if they are clear and understandable, and if they have been issued to those individuals that need to use them.

For the case where only one program area is reviewed, the sole reviewers shall prepare a short, concise report describing what area was reviewed, how the evaluation was conducted, and what the results were. This report shall be forwarded through the appropriate chief or Director, HLPD to the Director, HLWM.

If more than one HLWM program area is evaluated, each individual committee member shall provide a report, similar to the one described in the above paragraph, to the chairman who will then prepare a summary. This summary will be a memorandum transmitting the results of the reviews to the Director, HLWM. All of the individual reports shall be attached to the memorandum. The summary is transmitted from the chairman through the appropriate chief or Director, HLPD to the Director, HLWM. In the transmittal memorandum, the chairman shall identify all of the committee members.

- 043 Resolution of Issues. If deficiencies are found in any area of the HLWM program, the Director, HLWM will assign the appropriate chief or Director, HLPD the task of correcting the deficiency. Once this assignment is made, the appropriate chief or Director, HLPD will have 30 days to either make the necessary corrections or develop a task action plan, including a schedule, for correcting the deficiency. Under no circumstances should resolution of the issue take more than six months.

END