

JUN 16 1986

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MEMORANDUM FOR: John J. Linehan, Acting Chief  
Repository Projects Branch, DWM

THRU: James E. Kennedy, Section Leader  
Repository Projects Branch, DWM

FROM: Vernon D. Hedges  
Repository Projects Branch, DWM

SUBJECT: OBSERVATION OF BWIP AUDIT OF THE EFFECTIVENESS OF  
ROCKWELL'S AUDIT AND SURVEILLANCE PROGRAM, MARCH 25-28,  
1986

The purpose of my visit to DOE Richland was to observe the DOE audit of its prime contractor, Rockwell. As prime contractor, Rockwell is responsible for direction of most of the technical work on the project.

I had three objectives for my observation of the DOE audit. They were 1) to determine if the DOE audit was adequate to measure the effectiveness of the Rockwell's QA program implementation, 2) to determine if appropriate corrective measures were instituted for any deviations detected and 3) to form an independent opinion of whether Rockwell's QA program was effectively implemented.

The subject audit was conducted by Management Analysis Company (MAC) personnel who are contracted to DOE. Their audit report is appended to this report as attachment 1.

After a brief entrance meeting on March 25, 1986 with Rockwell personnel, the MAC team of three people split into two teams - one to audit Rockwell's audit program and the second to audit Rockwell's surveillance program. I accompanied the MAC team member who audited the surveillance program. I observed the audit of the Rockwell surveillance program throughout the day on March 25, 1986. During the day, Rockwell personnel explained their surveillance program and the MAC team member reviewed surveillance documentation. I attended a mid-afternoon meeting of the two MAC teams which was to review progress of the audit and make decisions as to further actions. In this meeting I stated a concern I had based upon my reading Rockwell's surveillance documentation. I stated that Rockwell did not make a determination of significance of any deviations found during surveillances; they did not determine the impact of the deviations on any data already collected or activities already completed; and they did not provide for actions to be taken regarding data already collected and/or activities already completed under deviating conditions.

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The second day of the audit, I and the other observers (DOE Headquarters and the NRC on site licensing representative) attended DOE presentations on the MAC audit for effectiveness concept, the DOE audit plans for 1986, and Rockwell's training program.

I returned to the audit on March 27, 1986 and was advised that both MAC teams were near completion with only a few loose ends to be attended. I accompanied the MAC team member covering Rockwell's audit program. While the MAC team member was reviewing Rockwell documentation related to the audit program, I read the Rockwell corrective action file, which was a part of the documentation read by the MAC team. In this file I noted a long overdue corrective action request generated by Rockwell QA as a result of findings from Rockwell audits and surveillance not being acted upon by Rockwell management. Specifically, Rockwell's audit and surveillance program had detected the lack of management controls over computer codes (no computer software QA), but due to lack of corrective action, a formal corrective action request was initiated. The corrective action had not been provided and the corrective action request was long overdue. I also observed that Rockwell did not determine which computer codes were in use and if the lack of formal management controls over those codes resulted in data collection or completed activities which would not be defensible in licensing hearings. I expressed my concern to the DOE Chief of Quality Assurance Systems Branch.

I left Richland on the morning of March 28, 1986 and did not attend the DOE exit meeting with Rockwell. Bob Cook did attend the meeting and relayed results to me by phone. The concerns I noted during the audit were reported to Rockwell as concerns and not as deviations. The DOE procedures for audits do not address the handling of concerns.

The DOE audit report (attachment 1) reports that Rockwell's surveillance program was determined to be effectively implemented and the audit program is effective except for 1) control and adequacy of audit scheduling, 2) control of non-BWIP procedures used by BWIP, 3) indoctrination and training in the QA program, 4) compliance with approved procedures, and 5) completeness of personnel qualification records. It is important to note that finding item 1) control and adequacy of audit scheduling resulted because scheduled audits were not conducted.

My conclusions differ from that reported by MAC in the exit meeting and in their formal report (attachment 1). I consider the corrective action for a deviation to not be complete unless a determination is made as to what work has been performed under deviating conditions and an appropriate disposition is made and documented that will result in data or completed work that is defensible in the hearing process. I consider the absence of that decision

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process in Rockwell's audit and surveillance program to be a deviation which must be addressed formally by Rockwell.

Given that Rockwell is not conducting audits as scheduled and is not documenting the justification for not conducting the audits (finding #1) I conclude the overall audit system is not functioning as intended. Adding to that the fact that, as I have noted above, deviations detected by Rockwell during audits are not followed up to determine what actions are necessary to ensure that work completed under deviating conditions are appropriately dispositioned and the results defensible in licensing hearings, I consider the overall audit program to be ineffective.

I consider timely management attention to identified deviations in the Rockwell audit and surveillance program as an integral part of the overall audit and surveillance program. The fact that Rockwell management is not responding in a timely manner is a breakdown in the program and should be considered a deviation requiring formal response.

In summary I do not believe the MAC audit of Rockwell's audit and surveillance program was effective in measuring the effectiveness of the audit and surveillance program. My conclusions as to the effectiveness of the Rockwell audit and surveillance program are diametrically opposed to those reached by MAC.

Original Signed By:

Vernon D. Hedges  
Repository Projects Branch  
Division of Waste Management

Enclosures:  
As stated

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