

July 28, 2006

MEMORANDUM TO: Stephen D. Dingbaum
Assistant Inspector General for Audits

FROM: Martin J. Virgilio */RA/*
Deputy Executive Director for Materials, Research
State and Compliance Programs
Office of the Executive Director for Operations

SUBJECT: MEMORANDUM REPORT: AUDIT OF THE OFFICE OF
NUCLEAR MATERIAL SAFETY AND SAFEGUARDS
PROCEDURES FOR PROCESSING INSPECTION GUIDANCE
(OIG-06-A-13)

This responds to the June 23, 2006, memorandum transmitting the subject audit report. With respect to your specific recommendations, I submit the following:

Recommendation 1

Revise the Office of Nuclear Material Safety and Safeguards (NMSS) Policy and Procedure (P&P) 1-76 for processing inspection guidance to include the full scope of activities and management controls associated with publishing, noticing, and implementing inspection guidance.

Response

Agree. NMSS has begun work on a revision to P&P 1-76 that will include the full scope of activities and management controls associated with publishing, noticing, and implementing inspection guidance. Completion Date: January 5, 2007.

Recommendation 2

Formalize an agreement between NMSS and the Office of Nuclear Reactor Regulation (NRR) on roles, responsibilities, and authorities regarding the processing of inspection guidance.

CONTACT: Michael Williamson, NMSS/IMNS
(301) 415-6234

Response

Agree. Inspection Manual Chapter (IMC) 0040, "Preparing, Revising, and Issuing Documents for the NRC Inspection Manual," is the formal agreement in place for NMSS and NRR for the issuance of inspection guidance. NMSS, in conjunction with NRR, has reviewed IMC 0040 and agrees that the IMC should be revised to better define the roles, responsibilities, and authorities outlined in the IMC.

Staff from the Division of Industrial and Medical Nuclear Safety (IMNS), Fuel Cycle Safety and Safeguards (FCSS), and NRR met to discuss and to lay out a path toward addressing the findings. Based on those discussions relevant staff from IMNS and NRR will work together to revise IMC 0040. Staff from IMNS and NRR have been assigned to complete a draft revision that will be reviewed by management from both offices. Completion Date: January 12, 2007.

NMSS is reorganizing into two separate offices. The details of the reorganization are being finalized, functional statements are being completed, and the division of responsibilities for maintenance of the IMC are still being determined. These changes and decisions will impact the roles, responsibilities, and authorities defined in P&P 1-76 and IMC 0040. Therefore, staff proposes to provide drafts of the two documents for its management review within 60 days following the effective date of the reorganization, October 1, 2006 (see Table, below, of milestones).

In the interim, staff will prepare a memorandum for the Office Director's signature notifying NMSS staff of the requirement to process all NMSS IMC revisions through the NMSS designated contact. The NMSS Manual Coordinator will ensure that all matters related to the Inspection Manual are coordinated with the NRR designated contact.

The table below outlines the schedule for responding to Recommendations 1 and 2.

Memorandum from NMSS Office Director	Issue 8/15/06
Draft revised P&P 1-76	December 1, 2006
Draft revised IMC 0040	December 1, 2006
Complete Management review of IMC 0040	December 15, 2006
Complete Management review of P&P 1-76	December 22, 2006
Issue Revised P&P 1-76 to staff	January 5, 2007
Revised IMC 0040 on websites	January 12, 2007

cc: Chairman Klein
 Commissioner McGaffigan
 Commissioner Merrifield
 Commissioner Jaczko
 Commissioner Lyons
 SECY

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cc: Chairman Klein
 Commissioner McGaffigan
 Commissioner Merrifield
 Commissioner Jaczko
 Commissioner Lyons
 SECY

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