

August 10, 2006

MEMORANDUM TO: William F. Kane
Deputy Executive Director
For Reactor and Preparedness Programs
Office of the Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S
OFFICE OF NUCLEAR SECURITY AND INCIDENT
RESPONSE (OIG-06-A-09)

REFERENCE: DEPUTY EXECUTIVE DIRECTOR FOR REACTOR AND
PREPAREDNESS PROGRAMS, OFFICE OF THE
EXECUTIVE DIRECTOR FOR OPERATIONS
MEMORANDUM DATED JULY 6, 2006

Attached is the Office of the Inspector General's analysis and status of recommendations 1 through 6, as discussed in the agency's response dated July 6, 2006. Based on this response, all of the recommendations are resolved pending the receipt and review of the completed actions as discussed in the response. Please provide an update on all the recommendations by October 31, 2006. In that response, please describe the completed actions and include supporting documentation needed to close the recommendations.

If you have any questions or concerns, please call me at 415-5915.

Attachment: Status of Recommendations

cc: W. Dean, OEDO
M. Malloy, OEDO
P. Tressler, OEDO

Audit Report
Audit of NRC's Office of Nuclear Security and Incident Response
OIG-06-A-09

Status of Recommendations

Recommendation 1: Establish a means of assessing the current workload and prioritizing assignments, including but not limited to emergent work, as they are received, so they can be incorporated into the workload without overextending NSIR's resources.

Response Dated
July 6, 2006:

Agree. The Workload Planning and Management group has identified short-term, mid-term, and longer-term actions to address workload management issues in the office. In the short-term (within 6 months), this group will evaluate and enhance NSIR's process that is used to manage office action items. The objective of this short term activity is to increase the process, use and usefulness, including tracking and prioritizing work. In the mid-term (within one year), this group will evaluate and enhance existing NSIR work processes-leading to a comprehensive Business Process. This comprehensive Business Process will integrate relevant NSIR procedures to: inform the NSIR budget process and operating plan; improve office-wide understanding of, instructions for, and adherence to office management of action items; and, provide the effective, timely, and responsive system for communicating action items to responsible NSIR staff. In the longer term, this group will reassess the NSIR Business Process and its components – looking for opportunities to further enhance them by reflecting on the efficiencies and effectiveness gains realized including leveraging other offices' work planning processes.

Completion Date: May 2007.

OIG Analysis: The proposed corrective actions address the intent of OIG's recommendation. OIG will close this recommendation upon the completion of the planned actions and OIG's review of the comprehensive Business Process and other enhancements.

Status: Resolved.

Audit Report
Audit of NRC's Office of Nuclear Security and Incident Response
OIG-06-A-09

Status of Recommendations

Recommendation 2: Review the Emergent Work Process to ensure emergent work is accurately documented to assist with workforce and budget decisions.

Response Dated
July 6, 2006:

Agree. The Workload Planning and Management group will address the current emergency work process as part of its short-term efforts to determine opportunities for improvement.

The emergent work situation in NSIR has dramatically improved since OIG conducted its audit. A number of factors have influenced this change, including the reorganization of the security division in February 2006, which resulted in an improved supervisory span of control. The level of emergent work has also declined since the OIG conducted its audit, which has enabled NSIR to substantially improve its timeliness on EDO-controlled correspondence. For the period of July 1, 2005 through June 16, 2006, NSIR's on-time percentage for Green Tickets is 99% and 98% for WITS items.

Completion Date: October 2006.

OIG Analysis:

The proposed corrective actions address the intent of OIG's recommendation. The recommendation will be closed upon OIG's review of the procedures and processes resulting from the improvements identified and implemented by the Workload Planning and Management group.

Status:

Resolved.

Audit Report
Audit of NRC's Office of Nuclear Security and Incident Response
OIG-06-A-09

Status of Recommendations

Recommendation 3: Develop an emergent work log that is user-friendly and records the required information on the impact of emergent work on NSIR planned/budgeted assignments.

Response Dated
July 6, 2006:

We agree with the need to address emergent work. NSIR successfully maintained an emergent work log in the 2004-2005 time period which enabled the office to identify additional FTE needed to address higher level emergent work during that time. As indicated in the response to Recommendation 1 above, NSIR will address emergent work as part of its overall initiative of assessing current workload and prioritization of assignments. Based on the results of this assessment, NSIR will determine whether an emergent work log is still appropriate.

Completion Date: October 2006

OIG Analysis:

The proposed corrective actions address the intent of OIG's recommendation. OIG will review the findings of the Workload Planning and Management group and its determination of the further need for an emergent work log review and the recommendation will be closed based on the assessment of the findings.

Status:

Resolved.

Audit Report
Audit of NRC's Office of Nuclear Security and Incident Response
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Status of Recommendations

Recommendation 4: Establish and implement policies and procedures for communications between NSIR and internal and external stakeholders.

Response Dated
July 6, 2006:

Agree. The Communications group will develop these policies and procedures. The group is developing a roadmap for communication with both internal and external stakeholders. The roadmap will identify each category of internal and external stakeholders and will specify in a matrix the planned approaches, including tools for communicating with stakeholders. The Communications group is ensuring that internal stakeholders' views are solicited so that the communications policies and procedures meet the needs of each stakeholder group.

NSIR has continued to build upon the Agency's successes with respect to its interactions with external and internal stakeholders. NSIR conducted a number of successful outreaches to public stakeholders, including regional workshops with agency representatives and the industry on the National Response Plan and security topics, a national workshop on Emergency Preparedness, public meetings at the Regulatory Information Conference, and in a stand-alone format on security and emergency preparedness. Stakeholder feedback from the September 1, 2005, public meeting on security was quite positive, in stark contrast to feedback from a similar meeting conducted on August 4, 2004.

With respect to internal stakeholders, NSIR has taken a number of actions in recent months to improve internal communications. The office is currently in the process of revamping its internal web site so that it can become the employee's main information source. The web site now includes a link to office procedures, a new employee's checklist, and a "from the Director's page" which provides employees a weekly synopsis of important activities and events from the Office Director's perspective. An internal work group is currently gathering requirements for the future NSIR

intranet. The office is continuing its tradition of holding all-hands meetings at least three times a year to discuss substantive topics of concerns to its employees. In addition, the Deputy Director/NSIR has instituted periodic All-Supervisors meetings to discuss office-wide management issues.

Completion Date: October 2006.

OIG Analysis: The proposed corrective actions address the intent of OIG's recommendation. OIG will close this recommendation upon a review of the policies and procedures developed by the Communications Group and implemented by NSIR management.

Status: Resolved.

Audit Report
Audit of NRC's Office of Nuclear Security and Incident Response
OIG-06-A-09

Status of Recommendations

Recommendation 5: Establish and implement a method to measure the level of effective communications.

Response Dated
July 6, 2006:

Agree. The Communications group plans to incorporate metrics associated with the roadmap (mentioned in response to response to recommendation 4 above) into the NSIR Operating Plan. In addition, NSIR plans to use the feedback it receives from the Regions and other offices to help it measure the effectiveness of its communications.

Completion Date: October 2006

OIG Analysis:

The proposed corrective actions address the intent of OIG's recommendation. OIG will assess the metrics developed by the Communications group for use in the NSIR Operating Plan to ensure the metrics provide for an effective measure of communications.

Status:

Resolved.

Audit Report
Audit of NRC's Office of Nuclear Security and Incident Response
OIG-06-A-09

Status of Recommendations

Recommendation 6: Assess the recommendations from 2003 office assessment to determine their applicability and implement those that would benefit NSIR today.

Response Dated
July 6, 2006:

Agree. As mentioned earlier, NSIR managers held two management retreats in April 2006 to review: (i) the recommendations of your February 2006 report; (ii) the results of the 2005 Climate and Culture Survey; and (iii) the 2003 office assessment and the 2004 and 2005 "pulse check" follow-ups. As a result of these sessions, NSIR established four initiative areas (which represent the main areas for improvement for the office). These areas include: Roles and Responsibilities; Communications; Staffing and Budget Development; and Workload Planning and Management. The activities of two of these groups have been elaborated upon in response to Recommendations 1-5 above. The main focus areas of the Staffing and Budget Development Group and the Roles and Responsibilities group are provided below:

Staffing and Budget Development Initiative:

This team has identified a manageable set of objectives that can be addressed successfully within a one-year timeframe.

The focus is to reflect the budgeted activities accurately in the Operating Plan , and to enhance staffing and training to provide the FTEs to achieve performance metrics. The team will explore processes and procedures to: (1) clarify the vision for entry level, intermediate and specialist training and recommend actions to achieve the goals; (2) identify the infrastructure needs for NSIR staff and recommend actions to provide a process to support such infrastructure within the one-year timeframe; (3) define metrics for NSIR hiring and identify and recommend changes to NSIR/HR/ADM processes to achieve full staffing of FTEs with requisite skills; and (4) develop the processes and procedures to provide first-level supervisors with information on budgets

and budget execution on a timely basis and in a format for first-level decision-making and tracking.

Completion Date: May 2007.

Roles and Responsibilities Initiative:

This team will develop clear expectations of the roles and responsibilities for major NSIR work activities. Specifically, this group will assess NSIR roles and responsibilities to aid in establishing a more effective and efficient organization that focuses on people, process, policy, and operations. As part of this initiative, this team plans to: (i) review and enhance the NRC values for service and mission, providing examples that focus on what is important to the office; (ii) define individual roles/responsibilities for staff, ensuring everyone has an accurate position description; (iii) ensure that organizational roles, responsibilities, and expectations for NSIR Branches are complete, comprehensive and clear, especially in light of the recent reorganization; and (iv) add roles/responsibilities statements to new employee handbooks.

Completion Date: May 2007.

OIG Analysis:

The proposed corrective actions address the intent of OIG's recommendation. OIG will review and assess the actions implemented as a result of the four identified initiatives. The recommendation will be closed upon the completion of the assessed actions.

Status:

Resolved.