Office of the Inspector General

U. S. Nuclear Regulatory Commission

Annual Plan

Fiscal Year 2011

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FOREWORD

I am pleased to present the Office of the Inspector General's (OIG) fiscal year (FY) 2011 *Annual Plan*. The *Annual Plan* provides the audit and investigative strategies and associated summaries of the specific work planned for the coming year. It sets forth OIG's formal strategy for identifying priority issues and managing its workload and resources for FY 2011.

The U.S. Nuclear Regulatory Commission's (NRC) mission is to license and regulate the Nation's civilian use of byproduct, source, and special nuclear materials to ensure adequate protection of public health and safety, promote the common defense and security, and protect the environment. OIG is committed to ensuring the integrity of NRC programs and operations. Developing an effective planning strategy is a critical aspect of accomplishing this commitment. Such planning ensures that audit and investigative resources are used efficiently.

This *Annual Plan* was prepared to align with the OIG *Strategic Plan* for FYs 2008 – 2013, which is based, in part, on an assessment of the strategic challenges facing NRC. The *Strategic Plan* identifies OIG's priorities and establishes a shared set of expectations regarding the goals we expect to achieve and the strategies we will employ over that timeframe. The *Strategic Plan* is the foundation on which our *Annual Plan* is based. In addition, we sought input from several sources, including the Commission, NRC senior managers, Congress, and the nuclear industry.

We have programmed all available resources to address the matters identified in this plan. This approach maximizes use of our resources. However, to respond to a changing environment, it is sometimes necessary to modify this plan as circumstances, priorities, and/or resources dictate.

Hubert T. Bell
Inspector General

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MISSION AND AUTHORITY

The Nuclear Regulatory Commission's (NRC) Office of the Inspector General (OIG) was established on April 15, 1989, pursuant to Inspector General Act Amendments contained in Public Law 100-504. OIG's mission is to (1) conduct and supervise independent audits and investigations of agency programs and operations; (2) promote economy, effectiveness, and efficiency within the agency; (3) prevent and detect fraud, waste, and abuse in agency programs and operations; (4) develop recommendations regarding existing and proposed regulations relating to agency programs and operations; and (5) keep the agency head and Congress fully and currently informed about problems and deficiencies relating to agency programs. The act also requires the Inspector General (IG) to prepare a semiannual report to the NRC Chairman and Congress summarizing the activities of the OIG.

In furtherance of the execution of this mission and of particular importance to OIG's annual plan development, the IG summarizes what he considers to be the most serious management and performance challenges facing NRC and assesses the agency's progress in addressing those challenges.

Serious management challenges are mission critical areas or programs that have the potential for a perennial weakness or vulnerability that, without substantial management attention, would seriously impact agency operations or strategic goals. In the latest annual assessment (October 2010) the IG identified the following as the most serious management challenges facing NRC:[1]

1. Protection of nuclear material used for civilian purposes.

2. Managing information to balance security with openness and accountability.

3. Ability to modify regulatory processes to meet a changing environment, to include the licensing of new facilities.

4. Oversight of radiological waste.

5. Implementation of information technology and information security measures.

6. Administration of all aspects of financial management and procurement.

7. Managing human capital.

Through its Issue Area Monitor (IAM) program, OIG staff monitor agency performance on these management challenges. These challenges, in conjunction with OIG's strategic goals, serve as an important basis for deciding

[1]The challenges are not ranked in any order of importance.

which audits and evaluations to conduct each fiscal year. To ensure that each audit and evaluation carried out by OIG aligns with the management challenges, program areas selected for review are crosswalked with the appropriate management challenge/s (see planned audits in appendixes A, B, and C).

PLANNING STRATEGY

The FY 2011 *Annual Plan* is linked with OIG's *Strategic Plan* for FYs 2008 – 2013. The *Strategic Plan* identifies the major challenges and risk areas facing the NRC so that OIG resources may be directed in these areas in an optimum fashion.

The *Strategic Plan* recognizes the mission and functional areas of the agency and the major challenges the agency faces in successfully implementing its regulatory program. The plan presents strategies for reviewing and evaluating NRC programs under the strategic goals that OIG established. OIG's strategic goals are to (1) *strengthen NRC's efforts to protect public health and safety and the environment*, (2) *enhance NRC's efforts to increase security in response to an evolving threat environment*, and (3) *increase the economy, efficiency, and effectiveness with which NRC manages and exercises stewardship over its resources*. To ensure that each audit and evaluation carried out by OIG aligns with the *Strategic Plan*, program areas selected for review and evaluation have been crosswalked from the *Annual Plan* to the *Strategic Plan* (see planned audits in appendixes A, B, and C). Furthermore, each OIG audit and evaluation is also linked with one or more of the management challenges identified by the IG as facing the agency as of October 2010 and listed on page 1 on this document.

AUDIT AND INVESTIGATION UNIVERSE

The NRC budget request for FY 2011 is approximately $1.054 billion with a staffing level of approximately 4,000 personnel. The agency's mission is to ensure adequate protection of public health and safety, promote the common defense and security, and protect the environment from potential hazards involved in the civilian use of nuclear materials. The agency also has a role in combating the proliferation of nuclear materials worldwide.

NRC is headquartered in suburban Maryland, just outside of Washington, D.C.; has four regional offices located throughout the United States; and operates a technical training center located in Chattanooga, Tennessee.

The agency carries out its mission through various licensing, inspection, research, and enforcement programs. Currently, NRC responsibilities include regulating 104 commercial nuclear power reactors that are licensed to operate in 31 States; 32 research and test reactors; 7 major fuel fabrication facilities; 2 gaseous diffusion uranium enrichment facilities; and approximately 3,400 licenses issued for medical, academic, and industrial uses of nuclear material. The agency is also reviewing the license application for the high-level waste repository at Yucca Mountain and overseeing the decommissioning of 14 commercial nuclear power plants and 11 research and test reactors.

The audit and investigation oversight responsibilities are therefore derived from the agency's wide array of programs, functions, and support activities established to accomplish NRC's mission.

AUDIT STRATEGY

Effective audit planning requires current knowledge about the agency's mission and the programs and activities used to carry out that mission. Accordingly, OIG continually monitors specific issue areas to strengthen its internal coordination and overall planning process. Under the office's IAM program, staff designated as IAMs are assigned responsibility for keeping abreast of major agency programs and activities. The broad IAM areas address nuclear reactors, nuclear materials, nuclear waste, information management, security, financial and administrative programs, human resources, and international programs. Appendix E contains a listing of the IAMs and the issue areas for which they are responsible.

The audit planning process, which is informed by the OIG *Strategic Plan* and identified agency management and performance challenges, yields audit assignments that will identify opportunities for efficiency, economy, and effectiveness in NRC programs and operations; detect and prevent fraud, waste, and mismanagement; improve program and security activities at headquarters and regional locations; and respond to emerging circumstances and priorities. The priority for conducting audits is based on (1) critical agency risk areas; (2) mandatory legislative requirements; (3) emphasis by the President, Congress, NRC Chairman, or other NRC Commissioners; (4) a program's susceptibility to fraud, manipulation, or other irregularities; (5) dollar magnitude or resources involved in the proposed audit area; (6) newness, changed conditions, or sensitivity of an organization, program, function, or activities; (7) prior audit experience, including the adequacy of internal controls; and (8) availability of audit resources.

INVESTIGATION STRATEGY

OIG investigation strategies and initiatives add value to agency programs and operations by identifying and investigating allegations of fraud, waste, and abuse leading to criminal, civil, and administrative penalties and recoveries. By focusing on results, OIG has designed specific performance targets with an eye on effectiveness. Because NRC's mission is to protect public health and safety, the main investigative concentration involves alleged NRC misconduct or inappropriate actions that could adversely impact health and safety-related matters. These investigations typically include allegations of:

- Misconduct by high-ranking NRC officials and other NRC officials, such as managers and inspectors, whose positions directly impact public health and safety.

- Failure by NRC management to ensure that health and safety matters are appropriately addressed.

- Failure by the NRC to appropriately transact nuclear regulation publicly and candidly and to openly seek and consider the public's input during the regulatory process.

- Conflict of interest by NRC employees with NRC contractors and licensees.

OIG will also implement initiatives designed to monitor specific high-risk areas within NRC's corporate management that are most vulnerable to fraud, waste, and abuse. A significant focus will be emerging information technology and national security issues that could negatively impact the security and integrity of NRC data. This will also include efforts to ensure the continued protection of personal privacy information held within agency databases and systems. OIG is committed to improving the security of the constantly changing electronic business environment by investigating unauthorized intrusions and computer-related fraud, and by conducting computer forensic examinations. Other proactive initiatives will focus on determining instances of procurement fraud, identifying vulnerabilities in the nuclear supply chain, theft of property, internal radicalization threats, and Government credit card abuse.

As part of these proactive initiatives, the OIG will be meeting with agency internal and external stakeholders to identify systemic issues or vulnerabilities. This approach will allow the identification of potential vulnerabilities and an opportunity to improve agency performance, as warranted.

With respect to OIG's strategic goals pertaining to safety and security, OIG routinely interacts with public interest groups, individual citizens, industry workers, and NRC staff to identify possible lapses in NRC regulatory oversight that could impact public health and safety. OIG also conducts proactive initiatives and reviews into areas of current or future regulatory safety or security interest to identify emerging issues or address ongoing concerns regarding the quality of NRC's regulatory oversight. Such areas might include new reactor licensing and relicensing of existing plants and aspects of the transportation and storage of high-level and low-level waste. Finally, OIG conducts Event and Special Inquiries into specific events that indicate an apparent shortcoming in NRC's regulatory oversight of the nuclear industry's safety and security programs to determine the appropriateness of the staff's actions to protect public health and safety.

Appendix D provides investigation objectives and initiatives for FY 2011. Specific investigations are not included in the plan because investigations are primarily responsive to reported violations of law and misconduct by NRC employees and contractors, as well as allegations of irregularities or abuse in NRC programs and operations.

PERFORMANCE MEASURES

For FY 2011, we will continue to use a number of key performance measures and targets for gauging the relevancy and impact of our audit and investigative work. OIG calculates these measures in relation to each of OIG's strategic goals to determine how well we are accomplishing our objectives. The performance measures are:

1. Percent of OIG products and activities[2] undertaken to identify critical risk areas or management challenges relating to the improvement of NRC's safety, security, and/or corporate management programs.

2. Percent of OIG products and activities completed that have a high impact[3] on improving NRC's safety, security, and/or corporate management programs.

3. Percent of audit recommendations agreed to by agency.

4. Percent of final agency actions taken within 2 years on audit recommendations.

5. Percent of agency actions in response to investigative reports.

The actual statistics for FY 2010 will be available in November 2010.

[2] OIG products are issued OIG reports. OIG reports include, by the audit unit, an audit report or evaluation, and by the investigative unit, a report of investigation, an event inquiry, or a special inquiry. Activities are OIG hotline activities or proactive investigative projects.

[3] High impact is the effect of an issued report or activity undertaken that results in (a) confirming risk areas or management challenges that caused the agency to take corrective action, (b) identifying real dollar savings or opportunities for reduced regulatory burden, (c) identifying significant wrongdoing by individuals that results in criminal or administrative action, (d) clearing an individual wrongly accused, or (e) identifying regulatory actions or oversight that may have contributed to the occurrence of a specific event or incident or resulted in a potential adverse impact on public health and safety.

OPERATIONAL PROCESSES

The following sections detail the approach used to carry out the audit and investigative responsibilities previously discussed.

AUDITS

OIG's audit process comprises the steps taken to conduct audits and involves specific actions, ranging from annual audit planning to performing audit followup. The underlying goal of the audit process is to maintain an open channel of communication between the auditors and NRC officials to ensure that audit findings are accurate and fairly presented in the audit report.

The OIG performs the following types of audits:

Performance – These audits are conducted on selected NRC administrative and program operations to evaluate the effectiveness and efficiency with which managerial responsibilities are carried out. They focus on whether management controls, practices, processes, and procedures are adequate and effective, and whether programs and activities achieve their anticipated results.

Financial – These audits include the financial statement audit required by the Chief Financial Officers Act and other financial audits. They include reviews of such items as internal control systems, transaction processing, and financial systems.

Contracts – Based on a Memorandum of Understanding between the OIG and NRC's Office of Administration, Division of Contracts, OIG provides oversight of work performed by the Defense Contract Audit Agency (DCAA) or outside independent public audit firms that perform contract audits. Pre-award audits of large contract proposals are an agency priority. At this time, OIG estimates that two pre-award audits will be needed in FY 2011. Post-award audits are divided into two categories: incurred cost audits of active contracts and closeout audits of completed contracts. For incurred cost audits, contracts over $10 million will be audited at least every 3 years, contracts over $5 million but under $10 million will be audited at least once during the life of the contract, and contracts under $5 million will be periodically selected on a judgmental basis. For FY 2011, OIG plans to select up to five active and three completed contracts for audit. DCAA will perform some audits, and others may be performed by outside, independent audit firms**,** as appropriate and as funds permit.

The key elements in the audit process are as follows:

Audit Planning – Each year, suggestions are solicited from the Commission, agency management, external parties, and OIG staff. An annual audit plan (i.e., this document) is developed and distributed to interested parties. It contains a listing of planned audits to be initiated during the year and the general objectives of the audits. The annual audit plan is a "living" document that may be revised as issues warrant, with a subsequent redistribution of staff resources.

Audit Notification – Formal notification is provided to the office responsible for a specific program, activity, or function, informing them of OIG's intent to begin an audit of that program, activity, or function.

Entrance Conference – A meeting is held to advise agency officials of the purpose, objectives, and scope of the audit, and the general methodology to be followed.

Survey – Exploratory work is conducted before the more detailed audit commences to gather data for identifying audit objectives, documenting internal control systems, becoming familiar with the activities to be audited, and identifying areas of concern to management.

Audit Fieldwork – A comprehensive review is performed of selected areas of a program, activity, or function using an audit program developed specifically to address the audit objectives.

Discussion Draft Report – A discussion draft copy of the report is provided to agency management to allow them the opportunity to prepare for the exit conference.

Exit Conference – A meeting is held with the appropriate agency officials to discuss the draft report. This meeting provides agency management the opportunity to confirm information, ask questions, and provide any necessary clarifying data.

Final Draft Report – If requested by agency management during the exit conference, a final draft copy of the report that includes comments from the exit conference is provided to the agency to obtain formal written comments.

Final Audit Report – The final report includes, as necessary, any revisions to the facts, conclusions, and recommendations of the draft report discussed in the exit conference or generated in written comments supplied by agency managers. Written comments are included as an appendix to the report. Some audits are sensitive and/or classified. In these cases, final audit reports are not made available to the public.

Response to Report Recommendations – Offices responsible for the specific program audited provide a written response on each recommendation (usually within 30 days) contained in the final report. Agency management responses include a decision for each recommendation indicating agreement or disagreement with the recommended action. For agreement, agency management provides corrective actions taken or planned and actual or target dates for completion. For disagreement, agency management provides their reasons for disagreement and any alternative proposals for corrective action. If questioned or unsupported costs are identified in the audit report, agency management states the amount that is determined to be disallowed and the plan to collect the disallowed funds. If funds that can be put to better use are identified, agency management states the amount that can be put to better use. If these amounts differ from those identified by OIG, agency management states the reasons for the difference.

Impasse Resolution – If the response by the action office to a recommendation is unsatisfactory, OIG may determine that intervention at a higher level is required. The Executive Director for Operations is NRC's audit followup official, but issues can be taken to the Chairman for resolution, if warranted.

Audit Followup and Closure – This process ensures that recommendations made to management are implemented.

INVESTIGATIONS

OIG's investigative process normally begins with the receipt of an allegation of fraud, mismanagement, or misconduct. Because a decision to initiate an investigation must be made within a few days of each referral, OIG does not schedule specific investigations in its plan.

Investigations are opened in accordance with OIG priorities as set forth in our *Strategic Plan* and in consideration of prosecutorial guidelines that may be established by the local U.S. attorneys for the Department of Justice (DOJ). OIG investigations are governed by the Council of the Inspectors General on Integrity and Efficiency Quality Standards for Investigations, the OIG Special Agent Handbook, and various guidance provided periodically by DOJ.

Only four individuals in the OIG can authorize the opening of an investigative case: the IG, the Deputy IG, the Assistant IG for Investigations, and the Senior Level Assistant for Investigative Operations. Every allegation received by OIG is given a unique identification number and entered into a

database. Some allegations result in investigations, while others are retained as the basis for audits, referred to NRC management, or, if appropriate, referred to another law enforcement agency.

When an investigation is opened, it is assigned to a special agent who prepares a plan of investigation. This planning process includes a review of the criminal and civil statutes, program regulations, and agency policies that may be involved. The special agent then conducts the investigation, which may require interviewing witnesses and subjects, reviewing and analyzing records, obtaining physical evidence, and conducting surveillance and/or undercover operations.

In cases where the special agent determines that a crime may have been committed, he or she will discuss the investigation with a Federal and/or local prosecutor to determine if prosecution will be pursued. In cases where a prosecuting attorney decides to proceed with a criminal or civil prosecution, the special agent assists the attorney in any preparation for court proceedings that may be required. This assistance may include serving subpoenas, locating witnesses, preparing exhibits, executing arrest/search warrants, and testifying before a grand jury or during trial. At the conclusion of any court action, OIG advises the agency of the court results.

For investigations that do not result in a trial but are handled administratively by the agency, the special agent prepares an investigative report summarizing the facts disclosed during the investigation. The investigative report is distributed to agency officials who have a need to know the results of the investigation. For investigative reports provided to agency officials, OIG requires a response within 120 days regarding action taken as a result of the investigative findings. OIG monitors corrective or disciplinary actions that are taken.

OIG collects data summarizing the judicial and administrative action taken as a result of its investigations and includes this data in its semiannual reports to Congress.

As a complement to the investigation function, OIG also conducts a limited number of Event Inquiries and Special Inquiries. Event Inquiry reports document OIG's examination of events or agency regulatory actions to determine if staff actions may have contributed to the occurrence of an event. Special Inquiry reports document those instances where an investigation identifies inadequacies in NRC regulatory oversight that may have resulted in a potential adverse impact on public health and safety.

HOTLINE

The OIG Hotline Program provides NRC employees, licensee employees, contract employees, and the public with a confidential means of reporting to the OIG instances of fraud, waste, and abuse relating to NRC programs and operations. The toll free number (1-800-233-3497 or TDD 1-800-270-2787) provides easy access for individuals to report any instance of fraud, waste, or abuse to well-trained hotline operators in the OIG. Trained staff is available to answer calls Monday through Friday between 9 a.m. and 4 p.m. (Eastern Standard Time). At other times, callers may leave a message. There is no caller identification feature associated with the Hotline.

Individuals may also provide information via the Internet or by mail. To report fraud, waste, and abuse online, click on "OIG Hotline" found on OIG's Web page (www.nrc.gov/insp-gen.html). To provide information by mail, send all correspondence to the following address:

U.S. Nuclear Regulatory Commission
Office of the Inspector General
Hotline Program
Mail Stop O-5 E13
11555 Rockville Pike
Rockville, MD 20852-2738

APPENDIX A

NUCLEAR SAFETY AUDITS PLANNED FOR FY 2011

Audit of NRC's Oversight of Independent Spent Fuel Storage Installations Safety

DESCRIPTION AND JUSTIFICATION:

The need for alternative storage began to grow in the late 1970s/early 1980s as spent fuel pools at many nuclear reactors began to fill up with stored fuel. NRC authorizes licensees to store spent nuclear fuel at independent spent fuel storage installations (ISFSIs), generally consisting of casks on a concrete pad located onsite. A site-specific ISFSI is licensed for 20 years from the date of approval.

Thus, until a high-level waste repository is made available, spent nuclear fuel at ISFSIs across the Nation will continue to accumulate.

OBJECTIVE:

The audit objective is to determine if NRC has the requisite processes in place for reviewing and approving ISFSIs.

SCHEDULE:

Initiated in the 4th quarter of FY 2010.

STRATEGIC GOAL 1 :

Strengthen NRC’s efforts to protect public health and safety and the environment.

Strategy 1-4: Identify risk areas associated with low-level waste and the prospective licensing of the high-level waste repository and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 4:

Oversight of radiological waste.

Audit of NRC's Oversight of Master Materials Licensees

DESCRIPTION AND JUSTIFICATION:

The Office of Federal and State Materials and Environmental Management Programs has, among other activities, the responsibility to provide program oversight for the master materials license program. Master materials licenses are issued by NRC to provide designated organizations with regulatory authority for the receipt, possession, distribution, use, transportation, transfer, and disposal of radioactive material. As of August 2010, there were three master materials licensees: the Departments of Air Force, Navy, and Veterans Affairs (VA).

The public and Government officials have recently questioned the effectiveness of NRC oversight in the aftermath of the reported misadministration of treatments to 97 patients at a VA hospital in Pennsylvania. Congressional and public interest remains high where nuclear materials are involved and there remains public concern with respect to the use of radioactive material at other VA hospitals and other organizations to which NRC has delegated master materials licenses.

OBJECTIVE:

The audit objective is to determine the extent to which NRC is providing effective oversight of master materials licensees.

SCHEDULE:

Initiated in the 4th quarter of FY 2010.

STRATEGIC GOAL 1:

Strengthen NRC's efforts to protect public health and safety and the environment.

Strategy 1-3: Identify risk areas facing the materials program and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 1:

Protection of nuclear material used for civilian purposes.

Audit of NRC's Oversight of Defect Reporting for Installed Equipment

DESCRIPTION AND JUSTIFICATION:

While conducting the Audit of the NRC's Vendor Inspection Program during FY 2010, OIG auditors learned of instances of differing interpretations of defect reporting requirements for defects found in basic components. Section 206 of the Energy Reorganization Act of 1974, as amended, requires that NRC be notified of defects in basic components that could cause a substantial safety hazard.

Currently, however, event reporting guidance appears not to require licensees to report some defects in installed equipment that could result in substantial safety hazards. Specifically, regulatory guidance that is provided to licensees does not require these licensees to report defects if an event was caused by the defect and is evaluated against the reporting criteria in Title 10, Code of Federal Regulations (10 CFR), Part 50, Section 72 or 73 (50.72 or 50.73). Moreover, licensees do not appear to be consistently reporting some defects that could result in substantial safety hazards.

OBJECTIVE:

The audit objective is to determine if NRC's implementation of Federal regulations requiring reactor licensees to report defects contained in installed equipment is meeting the intent of the Energy Reorganization Act of 1974, as amended, Section 206, Noncompliance.

SCHEDULE:

Initiated in the 4th quarter of FY 2010.

STRATEGIC GOAL 1:

Strengthen NRC's efforts to protect public health and safety and the environment.

Strategy 1-1: Identify risk areas associated with NRC's Reactor Oversight Process and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 3:

Ability to modify regulatory processes to meet a changing environment, to include the licensing of new nuclear facilities.

Audit of NRC's Management of Licensee Commitments

DESCRIPTION AND JUSTIFICATION:

Plant and materials licensees make commitments to NRC to perform certain functions to gain NRC's approval on technical issues with regard to a licensing action. Commitments may or may not be legally binding requirements, depending on how they are developed and agreed-upon by NRC and the licensees. The type of commitment may dictate the enforcement options available to NRC. There are widespread opinions among regulators as to whether commitments are enforceable, can be voluntarily withdrawn by the licensee, and are important for tracking.

OBJECTIVE:

The audit objective will be to determine how NRC manages licensee commitments, including tracking, auditing, trending, monitoring, and enforcing.

SCHEDULE:

Initiate in the 1st quarter of FY 2011.

STRATEGIC GOAL 1:

Strengthen NRC's efforts to protect public health and safety and the environment.

Strategy 1-1: Identify risk areas associated with NRC's Reactor Oversight Process and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 3:

Ability to modify regulatory processes to meet a changing environment, to include the licensing of new nuclear facilities.

Audit of NRC's Process for Evaluating the Relevance of Inspections, Tests, Analyses, and Acceptance Criteria (ITAAC)

DESCRIPTION AND JUSTIFICATION:

When licensing a plant under 10 CFR 52, NRC is required to verify, within the combined license application, the inspections, tests, analyses, and the acceptance criteria (ITAAC) that, if met, are sufficient to provide reasonable assurance that the facility has been constructed and will be operated in conformity with the license, the provisions of the Atomic Energy Act, and the Commission's rules and regulations.

Prior to the implementation of 10 CFR 52, the agency identified the ITAACs needed to issue a combined license for new nuclear power facilities. However, given the changes in the nuclear industry since the inception of 10 CFR 52, there are concerns that ITAACs may not provide NRC with all of the necessary information needed to make its licensing decisions.

OBJECTIVE:

The audit objective will be to assess the process used by NRC to evaluate the relevance and importance of ITAACs in providing reasonable assurance that a facility has been constructed and will be operated in conformity with the license, the provisions of the Atomic Energy Act, and the Commission's rules and regulations.

SCHEDULE:

Initiate in the 2nd quarter of FY 2011.

STRATEGIC GOAL 1:

Strengthen NRC's efforts to protect public health and safety and the environment.

Strategy 1-2: Identify risk areas associated with NRC's efforts to (1) prepare for and manage the review of applications for new power reactors, and (2) oversee construction of new power reactors to verify that they are built in conformance with approved designs and in compliance with approved construction standards and make recommendations, as warranted, for addressing the risks.

MANAGEMENT CHALLENGE 3:

Ability to modify regulatory processes to meet a changing environment, to include the licensing of new nuclear facilities.

Audit of NRC's Oversight of Design Certification Amendments

DESCRIPTION AND JUSTIFICATION:

The NRC has long sought standardization of nuclear power plant designs and the enhanced safety and licensing reform that standardization could make possible. 10 CFR 52 is intended to provide a predictable licensing process, including certification of new nuclear plant designs. The design certification process is intended to provide for early public participation and resolution of safety issues prior to an application to construct a nuclear power plant. In reality, NRC has been asked to review design certification and Combined Operating License applications in parallel.

Furthermore, already-certified designs may be amended. For example, as of March 2010, NRC had received 17 revisions to the Advanced Passive 1000 (AP1000) design, which was initially approved by NRC in January 2006. Consequently, NRC does not expect to complete the final Safety Evaluation Review for the AP1000 by the end of 2010 as originally envisioned.

OBJECTIVE:

The audit objective will be to examine the effectiveness of NRC's oversight of design certification amendments on the new reactor licensing process.

SCHEDULE:

Initiate in the 2nd quarter of FY 2011.

STRATEGIC GOAL 1:

Strengthen NRC's efforts to protect public health and safety and the environment.

Strategy 1-2: Identify risk areas associated with NRC efforts to (1) prepare for and manage the review of applications for new power reactors, and (2) oversee construction of new power reactors to verify that they are built in conformance with approved designs and in compliance with approved construction standards and make recommendations, as warranted, for addressing the risks.

MANAGEMENT CHALLENGE 3:

Ability to modify regulatory processes to meet a changing environment, to include the licensing of new nuclear facilities.

Audit of NRC's Oversight of Tritium Production at Commercial Nuclear Reactors

DESCRIPTION AND JUSTIFICATION:

Tritium is a radioactive isotope of hydrogen that is used to enhance the explosive yield of nuclear weapons. The Department of Energy's (DOE) National Nuclear Security Administration is responsible for maintaining the U.S. nuclear weapons stockpile. Because tritium decays at a rate of about 5 percent per year (half of it decays in about 12 years), tritium in nuclear weapons needs to be replenished on a regular basis. In 1988, after a DOE reactor used to produce tritium was shut down for safety reasons, replenishment of tritium in the stockpile was produced by recycling it from dismantled nuclear weapons.

In December 1998, the Secretary of Energy selected the Tennessee Valley Authority's (TVA) Watts Bar Nuclear Plant and Sequoyah Nuclear Plant as the preferred facilities for producing tritium. TVA is a corporation established by Congress, under the Tennessee Valley Authority Act (1933), and is owned by the U.S. Government. In August and September 2001, TVA submitted license amendment requests to NRC to produce tritium at Watts Bar and Sequoyah. NRC approved the requests in September 2002.

OBJECTIVE:

The audit objective will be to assess the effectiveness of NRC's oversight of tritium production at commercial nuclear reactors.

SCHEDULE:

Initiate in the 2nd quarter of FY 2011.

STRATEGIC GOAL 1:

Strengthen NRC's efforts to protect public health and safety and the environment.

Strategy 1-3: Identify risk areas facing the materials programs and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 1:

Protection of nuclear material used for civilian purposes.

Audit of NRC's Oversight of Decommissioned Uranium Recovery Operations

DESCRIPTION AND JUSTIFICATION:

To provide for the disposal, long-term stabilization, and control of uranium mill tailings[4] in a safe and environmentally sound manner, and to minimize or eliminate radiation health hazards to the public, Congress enacted the Uranium Mill Tailings Radiation Control Act of 1978 (UMTRCA). NRC's role under UMTRCA falls into two separate areas. Under Title I, DOE or the pertinent State is responsible for cleanup and remediation, as well as long-term care and maintenance of the sites, under a general license from NRC. The NRC is required to evaluate the site design and implementation, and concur that the site meets the standards established by the U.S. Environmental Protection Agency. Under Title II, NRC licenses uranium recovery operations, some of which have substantial quantities of tailings. The NRC's Office of Federal and State Materials and Environmental Management Programs provides project management and technical review for decommissioning and reclamation of these Title II facilities.

OBJECTIVE:

The audit objective will be to determine the effectiveness of NRC regulatory oversight of the uranium recovery sites.

SCHEDULE:

Initiate in the 2nd quarter of FY 2011.

STRATEGIC GOAL 1:

Strengthen NRC's efforts to protect public health and safety and the environment.

Strategy 1-3: Identify risk areas facing the materials programs and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 4:

Oversight of radiological waste.

[4]Uranium mill tailings are the leftover crushed rock after the uranium oxides have been removed from uranium ore.

Audit of NRC's Oversight of Radiography Sources

DESCRIPTION AND JUSTIFICATION:

Radiography uses radiation to produce images of a subject, especially the internal features of a subject. For example, industrial radiography enables detection of internal physical imperfections such as voids, cracks, and flaws in welds, piping, and other components and structures. It is routinely used for examination of oil and gas pipelines, boilers, and pressure vessels.

Radiographic devices are often portable and subject to theft, loss, and damage. Each year, radiography devices, including their sources, are lost, stolen, or abandoned. The sources in these devices are of great concern because they are made from Cobalt-60, Iridium-192, or other highly radioactive material that can be lethal even in small amounts. For example, one gram of Cobalt-60 will cause a lethal exposure to anyone exposed for 1 hour or more at 1 meter or closer.

OBJECTIVE:

The audit objective will be to determine the adequacy of NRC's processes for overseeing licensee activities addressing the safety and control of radiography sources.

SCHEDULE:

Initiate in the 3rd quarter of FY 2011.

STRATEGIC GOAL 1:

Strengthen NRC's efforts to protect public health and safety and the environment.

Strategy 1-3: Identify risk areas facing the materials programs and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 1:

Protection of nuclear material used for civilian purposes.

Audit of NRC's Special Inspection Program

DESCRIPTION AND JUSTIFICATION:

The special inspection program is designed to support NRC's goals of maintaining safety, enhancing openness, and improving the effectiveness, and efficiency of the regulatory process. It is NRC's policy to ensure that significant operational events involving reactor and materials facilities licensed by the NRC are investigated in a timely, objective, systematic, and technically sound manner; that the factual information pertaining to each event is documented; and that the cause or causes of each event are ascertained. Special inspections may be performed for safety significant issues or in response to events or infrequent major activities at licensee facilities. For example, in 2010, NRC conducted a special inspection at a nuclear power plant to review the circumstances surrounding the failure of a safety-related pump after determining that there are possible generic implications.

Special inspections are performed by a Special Inspection Team consisting of select regional inspection staff. These inspections are performed on an as-needed basis in addition to regularly scheduled inspection activities. Approximately 22 special inspections were conducted in FYs 2009 and 2010 combined.

OBJECTIVE:

The audit objective will be to assess NRC's implementation and effectiveness of special inspections.

SCHEDULE:

Initiate in the 3rd quarter of FY 2011.

STRATEGIC GOAL 1:

Strengthen NRC's efforts to protect public health and safety and the environment.

Strategy 1-1: Identify risk areas associated with NRC's Reactor Oversight Process and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 3:

Ability to modify regulatory processes to meet a changing environment, to include the licensing of new nuclear facilities.

Audit of NRC's Decommissioning Funds

DESCRIPTION AND JUSTIFICATION:

Under 10 CFR 50, NRC must receive reasonable assurances from nuclear reactor licensees that funds will be available for the decommissioning process. As of December 31, 2008, there were 104 reactors with a combined decommissioning fund balance of about $31.3 billion. The projected amount needed for decommissioning all 104 reactors is approximately $46.4 billion. The overall combined fund balance had decreased by 12.57 percent since December 31, 2006. With the recent stock market declines, it is important to understand NRC actions to ensure that the licensees have reasonable plans in place to make up any shortfalls that exist between the current funded amount and the amount estimated as needed by NRC's two-tiered formula. (The formula can be found in 10 CFR 50.75(c).) OIG previously reported that NRC's decommissioning formula was developed in 1986 and could be outdated (see Audit Report OIG-06-A-07, dated February 6, 2006).

OBJECTIVES:

The audit objectives will be to (1) identify opportunities for program improvement and (2) determine the adequacy of NRC's processes for coordinating with licensees to address possible shortfalls and ensure the safety of decommissioning funds.

SCHEDULE:

Initiate in the 3rd quarter of FY 2011.

STRATEGIC GOAL 1:

Strengthen NRC's efforts to protect public health and safety and the environment.

Strategy 1-1: Identify risk areas associated with NRC Reactor Oversight Process and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 3:

Ability to modify regulatory processes to meet a changing environment, to include the licensing of new nuclear facilities.

Audit of NRC's Oversight of Equipment Aging

DESCRIPTION AND JUSTIFICATION:

The United States' fleet of commercial nuclear power plants is aging with an average age of more than 29 years. Additionally, approximately 90 percent of the 104 currently operating plants have either received, are awaiting approval for, or intend to seek a 20-year license extension. This presents emergent challenges as previously unseen equipment failures occur. Aging failures can affect major components such as unit transformers, reactor coolant/recirculation pumps, and other large motors and present material challenges, such as the alloy 600 issue, and related equipment degradation. Failures of these components can result in plant transients and degraded safety equipment, both affecting nuclear safety.

OBJECTIVE:

The audit objective will be to determine if NRC is providing effective oversight of industry's aging management programs.

SCHEDULE:

Initiate in the 3rd quarter of FY 2011.

STRATEGIC GOAL 1:

Strengthen NRC's efforts to protect public health and safety and the environment.

Strategy 1-1: Identify risk areas associated with NRC's Reactor Oversight Process and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 3:

Ability to modify regulatory processes to meet a changing environment, to include the licensing of new nuclear facilities.

Audit of NRC's General Licensing Program

DESCRIPTION AND JUSTIFICATION:

NRC's regulations provide a general license for the use of byproduct material contained in certain products. This general license allows certain persons to receive and use a device containing byproduct material if the device has been manufactured and distributed in accordance with a specific license issued by NRC or by an Agreement State.

Self-luminous public exit signs containing the radioactive material tritium are an example of generally licensed devices. The purchasers of the devices are known as "general licensees" and they do not need authorization from NRC or a State regulatory agency to possess the signs, but they are subject to the regulatory requirements regarding the handling, transfer, or disposal of the signs in accordance with 10 CFR Part 31. In recent years, Wal-Mart discovered that it could not account for about 15,000 of its tritium exit signs.

When handled properly, generally licensed devices pose little or no threat to public health and safety and do not constitute a security risk. However, the devices do contain radioactive material that requires proper handling and recordkeeping because if the source is damaged or broken it could cause radioactive contamination of an immediate area requiring a potentially expensive cleanup.

OBJECTIVE:

The audit objective will be to determine if NRC's General Licensing Program provides for the necessary accountability and tracking of generally licensed devices to protect public health and safety.

SCHEDULE:

Initiate in the 4th quarter of FY 2011.

STRATEGIC GOAL 1:

Strengthen NRC's efforts to protect public health and safety and the environment.

Strategy 1-3: Identify risk areas facing the materials programs and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 1:

Protection of nuclear material used for civilian purposes.

Audit of NRC's Oversight of the Digital Instrumentation and Control Review Process

DESCRIPTION AND JUSTIFICATION:

While current nuclear power plant control rooms rely mainly on analog equipment, most nuclear plants are modernizing by replacing analog devices with digital technology instrumentation and control (DI&C) equipment in preparation for license extension and future decades of continued operation. In addition, applications for new reactor and materials licenses increasingly indicate that new facilities will be highly automated with DI&C. Finally, system developers and users, and NRC licensees are asking NRC to review new DI&C software products and approve them for use at nuclear power plants and materials facilities. These modern, highly integrated systems have proven susceptible to common-cause failures, which can potentially disable multiple systems in unpredictable ways, including those that are security or safety-significant.

DI&C technology is evolving and changing rapidly, requiring NRC to refine its regulations – particularly those allowing licensees to convert systems to digital without pre-notification to the agency. NRC must develop expertise in evaluating requests for complex digital replacement systems and in determining the acceptability of new, innovative digital system designs submitted for approval. NRC developed its DI&C review guidance in the 1990s and earlier.

OBJECTIVE:

The audit objective will be to evaluate NRC's process for reviewing requests to make DI&C replacements of existing equipment and for reviewing submissions for completely new DI&C designs intended for use in nuclear facilities.

SCHEDULE:

Initiate in the 4th quarter of FY 2011.

STRATEGIC GOAL1:

Strengthen NRC's efforts to protect public health and safety and the environment.

Strategy 1-1: Identify risk areas associated with NRC's Reactor Oversight Process and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 3:

Ability to modify regulatory processes to meet a changing environment, to include the licensing of new nuclear facilities.

APPENDIX B

SECURITY AUDITS
PLANNED FOR FY 2011

FY 2010 Evaluation of FISMA

DESCRIPTION AND JUSTIFICATION:

The Federal Information Security Management Act (FISMA) was enacted on December 17, 2002. FISMA permanently reauthorized the framework laid out in the Government Information Security Reform Act, which expired in November 2002. FISMA outlines information security management requirements for agencies, including the requirement for an annual review and annual independent assessment by agency inspectors general. In addition, FISMA includes new provisions such as the development of minimum standards for agency systems, aimed at further strengthening the security of Federal Government information and information systems. The annual assessments provide agencies with the information needed to determine the effectiveness of overall security programs and to develop strategies and best practices for improving information security.

OBJECTIVES:

The evaluation objectives are to assess (1) the adequacy of NRC's information security programs and practices for NRC major applications and general support systems of record for FY 2010, (2) the effectiveness of agency information security control techniques, and (3) the implementation of the NRC's corrective action plan created as a result of the FY 2009 headquarters and regional FISMA program reviews.

SCHEDULE:

Initiated in the 3rd quarter of FY 2010.

STRATEGIC GOAL 2:

Enhance NRC's efforts to increase security in response to an evolving threat environment

Strategy 2-4: Identify evolving threats to NRC security and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 5:

Implementation of information technology and information security measures.

Audit of NRC's Oversight of Independent Spent Fuel Storage Installations Security

DESCRIPTION AND JUSTIFICATION:

An ISFSI is a storage facility for spent nuclear fuel. Under the Atomic Energy Act of 1954, as amended, NRC has the responsibility to establish rules, regulations, orders, and policies to assure that source material, byproduct material, and special nuclear material are stored in a manner to adequately protect public health and safety, the common defense and security, and the environment.

Following the terrorist events of September 11, 2001, NRC issued security orders (in October 2002) to all ISFSI licensees to ensure that a consistent overall protective strategy was in place for all ISFSIs. On December 18, 2007, the Commission directed Office of Nuclear Security and Incident Response (NSIR) staff to develop risk-informed and performance-based regulations to enhance security requirements. The Commission also directed NSIR staff to undertake a rulemaking to update the security requirements. NRC staff have received public comment on the proposed security rules. Public stakeholders have raised concerns that the proposed rules do not sufficiently emphasize anti-terrorism capabilities.

OBJECTIVE:

The audit objective is to determine the adequacy of NRC's oversight of ISFSI security.

SCHEDULE:

Initiated in the 4th quarter of FY 2010.

STRATEGIC GOAL 2:

Enhance NRC's efforts to increase security in response to an evolving threat environment.

Strategy 2-1: Identify risk areas involved in effectively securing both operating and proposed nuclear power plants, nuclear fuel cycle facilities, and nuclear materials and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 4:

Oversight of radiological waste.

Audit of NRC's Implementation of Homeland Security Presidential Directive-12

DESCRIPTION AND JUSTIFICATION:

The Executive Branch of Government requires agencies to apply Homeland Security Presidential Directive-12 (HSPD-12) to Federal employees, contractors, and affiliates requiring long-term access to Federal facilities and information systems. This initiative employs electronically validated identity credentials to achieve secure access and interoperability among Federal agencies. In 2009, the Government's Chief Information Officer Council issued *Federal Identity, Credential, and Access Management (FICAM) Roadmap and Implementation Guidance* to Federal agencies to maximize and aggressively pursue the use of credentials and to plan and implement Identity, Credential, and Access Management (ICAM) programs in FY 2010.

A standard such as FICAM is too broad to represent the unique risk requirements of individual agencies, which must be derived from individual risk assessments representing the desired security profiles of each. In 2008, NRC conducted an independent survey and developed an Identity and Access Management Strategy Framework document to identify key focus areas for their HSPD-12 strategy; provide actionable recommendations; and identify priorities, solutions, and a high-level timeline. Currently, NRC is deploying some of the ICAM-related efforts identified in the Identity and Access Management Strategy Framework document.

OBJECTIVE

The audit objective is to assess whether NRC has effectively established and implemented the required ICAM program.

SCHEDULE:

Initiated in the 4th quarter of FY 2010.

STRATEGIC GOAL 2:

Enhance NRC's efforts to increase security in response to an evolving threat environment.

Strategy 2-4: Identify evolving threats to NRC security and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 5:

Implementation of information technology and information security measures.

Audit of NRC's Security Oversight of New Construction Activities

DESCRIPTION AND JUSTIFICATION:

NRC's statutory role is to ensure that if nuclear power is used in the United States, such use is consistent with maintaining the common defense and security and public health and safety. NRC is currently in the process of reviewing 13 Combined Operating License Applications for more than 23 potential new reactors and industrial irradiators. With the re-emergence of nuclear power in the United States, it is critical that nuclear facilities under construction do not have security lapses prior to reaching fully operational status. Furthermore, the threat environment has changed since the last time nuclear power plants were constructed.

Many stakeholders have called into question the ability of nuclear licensees to design and construct nuclear reactors and other facilities in a secure manner. Issues related to NRC security oversight include:

- Access authorization process over the multitude of temporary workers that will be hired.
- Securing the plans and drawings for critical structures.
- Security over critical phases of construction such as pouring of base concrete or when the fuel arrives.
- Security for contiguous operating reactors during construction.

OBJECTIVE:

The audit objective will be to determine NRC's ability to provide effective security oversight of new construction activities for new power plants and other nuclear facilities.

SCHEDULE:

Initiate in the 2nd quarter of FY 2011.

STRATEGIC GOAL 2:

Enhance NRC's efforts to increase security in response to an evolving threat environment.

Strategy 2-1: Identify risk areas involved in effectively securing both operating and proposed nuclear power plants, nuclear fuel cycle facilities, and nuclear materials and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 1:

Protection of nuclear material used for civilian purposes.

FY 2011 Evaluation of FISMA

DESCRIPTION AND JUSTIFICATION:

FISMA was enacted on December 17, 2002. FISMA permanently reauthorized the framework laid out in the Government Information Security Reform Act, which expired in November 2002. FISMA outlines the information security management requirements for agencies, including the requirement for an annual review and annual independent assessment by agency Inspectors General. In addition, FISMA includes new provisions such as the development of minimum standards for agency systems, aimed at further strengthening the security of Federal Government information and information systems. The annual assessments provide agencies with the information needed to determine the effectiveness of overall security programs and to develop strategies and best practices for improving information security.

OBJECTIVES:

The audit objectives will be to evaluate (1) the adequacy of NRC's information security programs and practices for NRC major applications and general support systems of record for FY 2011, (2) the effectiveness of agency information security control techniques, and (3) the implementation of the NRC's corrective action plan for identified system and program weaknesses.

SCHEDULE:

Initiate in the 3rd quarter of FY 2011.

STRATEGIC GOAL 2 :

Enhance NRC's efforts to increase security in response to an evolving threat environment.

Strategy 2-4: Identify evolving threats to NRC security and make recommendations for addressing them.

MANAGEMENT CHALLENGE 5:

Implementation of information technology and information security measures.

Audit of NRC's Security Significance Determination Process

DESCRIPTION AND JUSTIFICATION

Inspectors use the Significance Determination Process (SDP) to evaluate inspection findings for significance and to assign significance characterizations to each of them. The term "SDP" is an overall process description that includes all associated provisions designed to meet Reactor Oversight Program objectives, such as formal opportunities for licensee input, NRC management review for any significance characterization of greater than green, Significance and Enforcement Review Panels, and licensee appeal options. The purpose of the SDP is to provide tools for assessing licensee performance in a manner that is risk-informed, objective, predictable, and understandable.

A technical basis for each SDP is provided in a separate Appendix within Inspection Manual Chapter (IMC) 609, *Significance Determination Process*. Appendix E of IMC 609, Parts I and II - "*Baseline Security SDP for Power Reactors*" and "*Force-on-Force (FOF) Security SDP for Power Reactors*" provide inspection guidance for evaluating security findings.

OBJECTIVE

The audit objective will be to determine the effectiveness of NRC's security SDP process.

SCHEDULE:

Initiate in the 4th quarter of FY 2011.

STRATEGIC GOAL 2 :

Enhance NRC's efforts to increase security in response to an evolving threat environment.

Strategy 2-4: Identify evolving threats to NRC security and make recommendations for addressing them.

MANAGEMENT CHALLENGE 5:

Protection of nuclear material used for civilian purposes.

Audit of NRC's Management of Import/Export Authorizations

DESCRIPTION AND JUSTIFICATION:

The Atomic Energy Act of 1954, as amended, assigns to NRC responsibility for licensing imports and/or exports of specified nuclear materials and equipment. 10 CFR 110 contains the regulations that prescribe licensing procedures. NRC coordinates with other executive branch agencies, such as the Department of State and the Department of Energy, in reviewing the license applications.

NRC processed approximately 143 import/export licenses during FY 2009, and approximately 104 during FY 2010, as of August 9, 2010.

OBJECTIVES:

The audit objectives will be to determine whether NRC (1) properly reviews and approves import/export authorizations in a timely manner, (2) effectively coordinates this activity with other Federal agencies, and (3) efficiently and effectively coordinates import/export authorizations internally.

SCHEDULE:

Initiate in the 4th quarter of FY 2011.

STRATEGIC GOAL 2:

Enhance NRC's efforts to increase security in response to an evolving threat environment.

Strategy 2-5: Identify risks associated with nonproliferation of nuclear material and nuclear technology and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 1:

Protection of nuclear material used for civilian purposes.

APPENDIX C

CORPORATE MANAGEMENT AUDITS PLANNED FOR FY 2011

Audit of NRC's FY 2010 Financial Statements

DESCRIPTION AND JUSTIFICATION:

Under the Chief Financial Officers Act and the Government Management and Reform Act, the OIG is required to audit the financial statements of the NRC. The report on the audit of the agency's financial statements is due on November 15, 2010. In addition, OIG will issue reports on:

- Special Purpose Financial Statements.
- Implementation of the Federal Managers' Financial Integrity Act.
- Condensed Financial Statements.

OBJECTIVES:

The audit objectives are to:

- Express opinions on the agency's financial statements and internal controls.
- Review compliance with applicable laws and regulations.
- Review the controls in the NRC's computer systems that are significant to the financial statements.
- Assess the agency's compliance with Office of Management and Budget Circular A-123, Revised, *Management's Responsibility for Internal Control*.

SCHEDULE:

Initiated in the 3rd quarter of FY 2010.

STRATEGIC GOAL 3:

Increase the economy, efficiency, and effectiveness with which NRC manages and exercises stewardship over its resources.

Strategy 3-1: Identify areas of corporate management risk within NRC and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 6:

Administration of all aspects of financial management and procurement.

Audit of the NRC's iLearn Learning Management System

DESCRIPTION AND JUSTIFICATION:

iLearn is NRC's learning management system that was developed to serve as the central point for all training activities across the agency and to provide detailed training information for all NRC employees.

The system was developed by a contractor under an interagency agreement with the Office of Personnel Management. Its purpose is to provide access to online courses from courseware libraries as well as custom courses developed by NRC, allow staff to register for courses and submit training requests online, complete training evaluations, and generate training reports.

Since its April 2008 deployment, the system has experienced problems. For example, an attempt was made to move all agency online training from NRC's server onto iLearn. This would permit employees to launch all online training from one application and have course completion information automatically added to their learning history. However, many of the online training courses are not working correctly due to technical problems that cause them to launch incorrectly or not launch at all. Consequently, many of the online courses were removed from iLearn and placed back on the NRC server.

OBJECTIVE:

The audit objective is to determine the effectiveness of the iLearn Learning Management System to meet the agency's current and future training needs.

SCHEDULE:

Initiated in the 4th quarter of FY 2010.

STRATEGIC GOAL 3:

Increase the economy, efficiency, and effectiveness with which NRC manages and exercises stewardship over its resources.

Strategy 3-1: Identify areas of corporate management risk within NRC and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 7:

Managing human capital.

Audit of NRC's Purchase Card Program

DESCRIPTION AND JUSTIFICATION:

NRC employees use purchase cards for purchases of supplies and services that do not exceed $3,000. During FY 2009, there were approximately 10,000 purchase card transactions conducted by 124 NRC employees that totaled more than $6,000,000.

NRC's purchase card program guidance states the procedures that need to be followed for the usage of purchase cards by NRC employees and the responsibilities of the staff managing the program.

Recent audits conducted by other Federal agencies on their respective purchase card programs have found significant internal control deficiencies that have led to the improper usage of Government issued purchase cards.

OBJECTIVE:

The audit objective is to determine whether NRC has established and implemented an effective system of internal control over the use of Federal purchase cards.

SCHEDULE:

Initiated in the 4th quarter of FY 2010.

STRATEGIC GOAL 3:

Increase the economy, efficiency, and effectiveness with which NRC manages and exercises stewardship over its resources.

Strategy 3-1: Identify areas of corporate management risk within NRC and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 6:

Administration of all aspects of financial management and procurement.

Audit of NRC's Shuttle Service

DESCRIPTION AND JUSTIFICATION:

The ongoing expansion of the NRC headquarters White Flint Complex has required that some employees be temporarily relocated to several buildings outside of the main complex. Relocated employees are currently working from the Gateway Building in Bethesda, and the Executive Boulevard, Twinbrook, and Church Street Buildings in Rockville. NRC has implemented a shuttle service to transport employees and contractors between the White Flint Complex and the temporary locations to conduct official agency business. The temporary locations were intended to be located within walking distance of public transportation.

The agency has a 2.5-year, $2.7-million contract with Blue Ridge Limousine and Tour Service, Inc., for shuttle services. The shuttle service currently operates six buses: one bus runs round trip between the White Flint Complex and the Executive Boulevard Building 35 times per day; two buses run round trip between the White Flint Complex and Church Street 34 times per day; one bus runs round trip between the White Flint Complex and Twinbrook 23 times per day; and two buses run between the White Flint Complex and the Gateway building 22 times per day. There are no buses that run from one interim location to another.

OBJECTIVE:

The audit objective is to determine the effectiveness, efficiency, and economy of the shuttle services versus public transportation.

SCHEDULE:

Initiated in the 4th quarter of FY 2010.

STRATEGIC GOAL 3:

Increase the economy, efficiency, and effectiveness with which NRC manages and exercises stewardship over its resources.

Strategy 3-1: Identify areas of corporate management risk within NRC and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 6:

Administration of all aspects of financial management and procurement.

Audit of NRC's Oversight of the Independent Verification and Validation of the SAPHIRE8 System

DESCRIPTION AND JUSTIFICATION:

One of NRC's key responsibilities is to ensure that the operation of nuclear power plants and other NRC-licensed facilities presents no undue risk to public health and safety. To achieve this, the agency applies and enforces a set of technical requirements on plant design and operations, which are described in 10 CFR. Generally, these are written in terms of traditional engineering practices such as "safety margins" in design, construction, and operations. NRC uses Probabilistic Risk Assessment (PRA) to systematically look at how the pieces of a complex system work together to derive the technical requirements of 10 CFR. PRA allows analysts to quantify risk and identify what could have the most impact.

The Systems Analysis Programs for Hands-on Integrated Reliability Evaluations (SAPHIRE) was developed by the Idaho National Laboratory under contract for NRC to automate the building and running of PRA models. SAPHIRE8 is the latest version of SAPHIRE.

OBJECTIVE:

The audit objective will be to determine if SAPHIRE8 meets its required operational capabilities.

SCHEDULE:

Initiate in the 2nd quarter of FY 2011.

STRATEGIC GOAL 3:

Increase the economy, efficiency, and effectiveness with which NRC manages and exercises stewardship over its resources.

Strategy 3-1: Identify areas of corporate management risk within NRC and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 5:

Implementation of information technology and information security measures.

Audit of NRC's Process for Calculating License Fees

DESCRIPTION AND JUSTIFICATION:

The Omnibus Budget Reconciliation Act of 1990 (OBRA-90), as amended, requires that NRC recover, through fees assessed to its applicants and licensees, approximately 90 percent of its budget authority [less amounts appropriated from the Nuclear Waste Fund, amounts appropriated for Waste Incidental to Reprocessing activities, and amounts appropriated for generic homeland security activities ("non-fee items")].

To meet the requirements of OBRA-90, as amended, NRC assesses two types of fees – user charges and annual fees. First, under the authority of the Independent Offices Appropriation Act of 1952, NRC assesses user charges to recover costs of providing special benefits to identifiable applicants and licensees. NRC implements user charges for inspection services and licensing actions for the reactor and materials programs under 10 CFR 170. Second, annual fees, established in 10 CFR 171 under the authority of OBRA-90, as amended, recover generic and other regulatory costs not recovered through 10 CFR 170 fees.

On an annual basis, NRC amends the licensing, inspection, and annual fees. The NRC publishes the annual Fee Rule in the *Federal Register*.

OBJECTIVE:

The audit objective will be to determine if NRC has established and implemented management controls to ensure that the license fee calculation process produces timely and accurate fees in accordance with applicable requirements.

SCHEDULE:

Initiate in the 2nd quarter of FY 2011.

STRATEGIC GOAL 3:

Increase the economy, efficiency, and effectiveness with which NRC manages and exercises stewardship over its resources.

Strategy 3-1: Identify areas of corporate management risk within NRC and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 6:

Administration of all aspects of financial management and procurement.

Evaluation of NRC's Contract Award Process

DESCRIPTION AND JUSTIFICATION:

It is NRC's policy that the acquisition of supplies and services support the agency's mission; are planned, awarded, and administered efficiently and effectively; and are accomplished in accordance with applicable Federal statutes and procurement regulations. NRC acquisitions must adhere to the Federal Acquisition Regulation (FAR) and the NRC Acquisition Regulation (NRCAR). The Federal acquisition process is intended, among other objectives, to satisfy the customer in terms of cost, quality, and timeliness of the delivered product or service. The vision for the Federal acquisition process is to deliver on a timely basis the best value product or service to the customer, while maintaining the public's trust and fulfilling public policy objectives.

The Division of Contracts obligated approximately $17.2 million and $6.6 million during FY 2009 and FY 2010 (as of June 25, 2010), respectively, for new contract awards.

OBJECTIVES:

The evaluation objectives will be to obtain an understanding of the NRC's contract award process and perform sufficient work to report on the agency's (1) compliance with applicable requirements (e.g., FAR and NRCAR requirements), and (2) identify any opportunities to improve the efficiency and effectiveness of the contract award process to include timeliness and internal controls.

SCHEDULE:

Initiate in the 2nd quarter of FY 2011.

STRATEGIC GOAL 3:

Increase the economy, efficiency, and effectiveness with which NRC manages and exercises stewardship over its resources.

Strategy 3-1: Identify areas of corporate management risk within NRC and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 6:

Administration of all aspects of financial management and procurement.

Audit of NRC's Safeguards Information Electronic Safe System

DESCRIPTION AND JUSTIFICATION:

NRC has created a system for the electronic creation, transmission and storage of Safeguards Information (SGI) documents, known as the Safeguards Information Local Area Network and Electronic Safe (SLES). This system has two components: the Safeguards Information Local Area Network (SGI LAN) and the Electronic Safe (E-Safe). The SGI LAN component is a local area network with a secure architecture which provides access to E-Safe. The E-Safe component is a secure electronic repository for SGI records.

NRC built SLES as a secure, centralized SGI data repository system that complies with National Archives and Records Administration and NRC requirements and policies for storing official recordkeeping copies and is NRC's official SGI document repository. In addition, SLES must comply with the latest version of all applicable guidance and standards.

NRC security-related requirements cover areas for protecting the confidentiality, integrity, and availability of Federal information systems and the information processed, stored, and transmitted by those systems. They represent an information security program that addresses the management, operational, and technical aspects of protecting Federal information and information systems.

OBJECTIVE:

The objective of this audit will be to determine if E-Safe meets its required operational capabilities.

SCHEDULE:

Initiate in the 3rd quarter of FY 2011.

STRATEGIC GOAL 3 :

Increase the economy, efficiency, and effectiveness with which NRC manages and exercises stewardship over its resources.

Strategy 3-1: Identify areas of corporate management risk within NRC and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 5:

Implementation of information technology and information security measures.

Audit of NRC's FY 2011 Financial Statements

DESCRIPTION AND JUSTIFICATION:

Under the Chief Financial Officers Act and the Government Management and Reform Act, the OIG is required to audit the financial statements of the NRC. The report on the audit of the agency's financial statements is due on November 15, 2011. In addition, OIG will issue reports on:

- Special Purpose Financial Statements.
- Implementation of the Federal Managers' Financial Integrity Act.
- Condensed Financial Statements.

OBJECTIVES:

The audit objectives will be to:

- Express opinions on the agency's financial statements and internal controls.
- Review compliance with applicable laws and regulations.
- Review the controls in the NRC's computer systems that are significant to the financial statements.
- Assess the agency's compliance with Office of Management and Budget Circular A-123, Revised, *Management's Responsibility for Internal Control*.

SCHEDULE:

Initiate in the 3rd quarter of FY 2011.

STRATEGIC GOAL 3:

Increase the economy, efficiency, and effectiveness with which NRC manages and exercises stewardship over its resources.

Strategy 3-1: Identify areas of corporate management risk within NRC and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 6:

Administration of all aspects of financial management and procurement.

Audit of the Timeliness of NRC's Process for Closeout and Deobligation of Unexpended Obligations on Agreements with Department of Energy Laboratories

DESCRIPTION AND JUSTIFICATION:

NRC Management Directive 11.7, *NRC Procedures for Placement of Work with the U.S. Department of Energy*, states, "It is the policy of the U.S. Nuclear Regulatory Commission that work placed with the U.S. Department of Energy (DOE) be managed effectively." A previous OIG audit focused on the award, management, and monitoring of projects placed with DOE laboratories. This audit will focus on NRC's processes for closeout and deobligation of unexpended obligations on agreements with DOE laboratories. Because there is no centralized database to track DOE laboratory agreements, the universe of expired agreements awaiting closeout is unknown.

OBJECTIVE:

The audit objective will be to determine whether NRC has established and implemented an effective system of internal control over the processes for closeout and deobligation of unexpended obligations on agreements with DOE laboratories.

SCHEDULE:

Initiate in the 3rd quarter FY 2011.

STRATEGIC GOAL 3:

Increase the economy, efficiency, and effectiveness with which NRC manages and exercises stewardship over its resources.

Strategy 3-1: Identify areas of corporate management risk within NRC and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 6:

Administration of all aspects of financial management and procurement.

Audit of NRC's Transit Subsidy Benefits Program

DESCRIPTION AND JUSTIFICATION:

Executive Order 13150, dated April 21, 2000, required all Federal agencies to implement a transportation fringe benefit program that would encourage Federal employees to use mass transportation and vanpools in order to reduce traffic congestion and air pollution. Program participants must be Federal employees and commute to and from work via mass transportation or commuter highway vehicle on a regular basis. As a result, NRC established a program to encourage its employees to commute by mass transportation, van pool or carpool. Under this program, employees receive transit benefits (e.g., *SmartBenefits* vouchers) to offset the costs of commuting via public transportation or commuter highway vehicle. For FYs 2008 and 2009, NRC spent approximately $1,033,826 and $1,085,248, respectively, on its transit subsidy benefits program.

The Government Accountability Office has reported numerous instances of fraud and abuse of transit subsidy benefit programs by Federal employees. In response, the Office of Management and Budget re-emphasized the benefits of the program and the importance of effective internal controls to guard against fraud, waste, and abuse.

OBJECTIVES:

The audit objectives will be to determine (1) NRC's adherence to proscribed laws and regulations and its own policies and procedures, and (2) the adequacy of NRC's internal controls associated with its transit subsidy benefits program.

SCHEDULE:

Initiate in the 3rd quarter of FY 2011.

STRATEGIC GOAL 3:

Increase the economy, efficiency, and effectiveness with which NRC manages and exercises stewardship over its resources.

Strategy 3-1: Identify areas of corporate management risk within NRC and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 6:

Administration of all aspects of financial management and procurement.

Evaluation of NRC's Most Serious Management and Performance Challenges

DESCRIPTION AND JUSTIFICATION:

In January 2000, Congress enacted the Reports Consolidation Act of 2000, which requires Federal agencies to provide an annual report that would consolidate financial and performance management information in a more meaningful and useful format for Congress, the President, and the public. Included in the act is a requirement that, on an annual basis, IGs summarize the most serious management and performance challenges facing their agencies. Additionally, the act provides that IGs assess their respective agency's efforts to address the challenges, compare and contrast the new management challenges listing with previous listings, and identify programs and performance areas that "have had questionable success in achieving results."

OBJECTIVES:

The evaluation objectives will be to:

- Assess the agency's efforts to address the management and performance challenges.
- Identify any related agency programs that have had questionable success in achieving results.

SCHEDULE:

Initiate in the 3rd quarter of FY 2011.

STRATEGIC GOAL 3:

Increase the economy, efficiency, and effectiveness with which NRC manages and exercises stewardship over its resources.

Strategy 3-1: Identify areas of corporate management risk within NRC and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE:

Addresses all the management challenges.

Audit of NRC's Budget Execution Process

DESCRIPTION AND JUSTIFICATION:

The Federal budget execution process involves activities related to use of funds appropriated by Congress. This includes the detailed planning of the use of the funds as well as the control of their use to assure that congressional intent for the use of the funds is preserved. During this process, the NRC Chairman, Chief Financial Officer, allottees, allowance holders, allowance financial managers, and funds certifying officials all share responsibilities for ensuring effective financial management concerning the proper administrative control of funds. NRC's managers must ensure that public funds are used only for authorized purposes, and that the funds are used economically, efficiently, and within prescribed limits.

NRC guidance mandates that agency systems for budget execution and the administrative control of funds adhere to policies, procedures, and standards found in management directives; Office of Management and Budget Circular A-34, "Instructions on Budget Execution;" as well as other applicable Federal laws and regulations. The Office of the Chief Financial Officer is responsible for the overall control of funds during budget execution. NRC's budget request for FY 2011 is approximately $1.054 billion and 4,009 full-time equivalents.

OBJECTIVES:

The audit objectives will be to determine whether (1) NRC maintains proper financial control over the allotment, allocation, and obligation of appropriated and apportioned funds to ensure compliance with applicable Federal laws, policies, and regulations, and (2) opportunities exist to improve the budget execution process.

SCHEDULE:

Initiate in the 4th quarter of FY 2011.

STRATEGIC GOAL 3:

Increase the economy, efficiency, and effectiveness with which NRC manages and exercises stewardship over its resources.

Strategy 3-1: Identify areas of corporate management risk within NRC and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 6:

Administration of all aspects of financial management and procurement.

Audit of the Financial Accounting and Integrated Management Information System

DESCRIPTION AND JUSTIFICATION:

In October 2010, NRC plans to deploy the Financial Accounting and Integrated Management Information System (FAIMIS), a new core financial management system. This system will replace the functionality of five legacy financial systems with a consolidated, Web capable, fully integrated commercial-off-the-shelf financial management system.

FAIMIS is expected to support all financial functions and provide agency compliance with Federal proprietary and budgetary accounting and financial reporting requirements and be the central repository for all NRC financial transactions and data. FAIMIS lays the foundation for a fully integrated enterprise management information solution for NRC.

OBJECTIVE:

The audit objective is to determine if FAIMIS meets its required operational capabilities.

SCHEDULE:

Initiate in the 4th quarter of FY 2011.

STRATEGIC GOAL 3:

Increase the economy, efficiency, and effectiveness with which NRC manages and exercises stewardship over its resources.

Strategy 3-1: Identify areas of corporate management risk within NRC and make recommendations, as warranted, for addressing them.

MANAGEMENT CHALLENGE 5:

Implementation of information technology and information security measures.

APPENDIX D

INVESTIGATIONS – PRIORITIES, OBJECTIVES, AND INITIATIVES FOR FY 2011

INTRODUCTION

The Assistant Inspector General for Investigations (AIGI) has responsibility for developing and implementing an investigative program that furthers OIG's objectives. The AIGI's primary responsibilities include investigating possible violations of criminal statutes relating to NRC programs and activities, investigating allegations of misconduct by NRC employees, interfacing with the DOJ on OIG-related criminal matters, and coordinating investigations and OIG initiatives with other Federal, State, and local investigative agencies and other AIGIs.

Investigations covering a broad range of allegations concerning criminal wrongdoing or administrative misconduct affecting various NRC programs and operations may be initiated as a result of allegations or referrals from private citizens; licensee employees; NRC employees; Congress; other Federal, State, and local law enforcement agencies; OIG audits; the OIG Hotline; and proactive efforts directed at areas bearing a high potential for fraud, waste, and abuse.

This investigative plan was developed to focus OIG investigative priorities and use available resources most effectively. It provides strategies and planned investigative work for FY 2011 in conjunction with the OIG *Strategic Plan*. The most serious management and performance challenges facing the NRC as identified by the Inspector General were also considered in the development of this plan.

PRIORITIES

The OIG will initiate approximately 60 investigations and Event/Special Inquiries in FY 2011. As in the past, reactive investigations into allegations of criminal and other wrongdoing will continue to claim priority on OIG's use of available resources. Because NRC's mission is to protect the health and safety of the public and the environment, Investigations' main concentration of effort and resources will involve investigations of alleged NRC staff misconduct that could adversely impact health and safety related matters.

OBJECTIVES

To facilitate the most effective and efficient use of limited resources, Investigations has established specific objectives aimed at preventing and detecting fraud, waste, and abuse as well as optimizing NRC effectiveness and efficiency. Investigations will focus its investigative efforts in six broad-based areas, as follows, which include possible violations of criminal statutes relating to NRC programs and operations and allegations of misconduct by NRC employees.

Safety and Security

- Investigate allegations that NRC employees improperly disclosed allegers' (mainly licensee employees) identities and allegations, NRC employees improperly handled alleger concerns, and NRC failed to properly address retaliation issues involving licensee employees who raised health and safety concerns at nuclear power plants.

- Examine allegations that NRC has not maintained an appropriate "arms length" distance from licensees, particularly in the inspection process.

- Investigate allegations that NRC employees released predecisional, proprietary, or official-use-only information to the nuclear industry that could have had an impact on nuclear power plant operations or interfered with litigation involving agency decisions.

- Investigate allegations that NRC employees had improper personal relationships with NRC licensees and where NRC employees violated governmentwide ethics regulations concerning the solicitation of employment with NRC licensees.

- Interact with public interest groups, individual allegers, and industry workers to identify indications of lapses in NRC regulatory oversight that could create safety and security problems.

- Maintain close working relationships with members of NRC's technical staff to facilitate the flow of information and concerns regarding possible nuclear safety and security issues.

- Conduct Event and Special Inquiries into specific events that indicate an apparent shortcoming in NRC's regulatory oversight of the nuclear industry's safety and security programs to determine the appropriateness of the staff's actions to protect public health and safety.

- Proactively review and become knowledgeable in areas of NRC staff regulatory emphasis to identify emerging issues that may require future OIG involvement. Also provide real time OIG assessments of the appropriateness of NRC staff's handling of contentious regulatory activities related to nuclear safety and security matters.

- Determine if material licensees may have exceeded their license authorities and whether NRC failed to provide effective oversight.

- Identify risks associated with the proliferation of nuclear material and nuclear technology.

- Proactively assign resources dedicated to identifying internal threats to NRC operations.

- Identifying threats and vulnerabilities in the nuclear supply chain.

- Take an aggressive stand to protect NRC's infrastructure against both internal and external computer intrusions by working in close coordination with staff within the Office of Information Services and NRC systems administrators. This will include developing and disseminating intelligence to assist in protecting NRC computer systems and aggressively pursuing suspected computer intrusion incidents.

- Dedicating resources to investigate allegations of NRC programmatic failure to identify risks associated with the medical use of byproduct material.

Corporate Management

- Attempt to detect possible wrongdoing perpetrated against NRC's procurement and contracting program by maintaining a close working relationship with the Office of Administration, Division of Contracts (DC). This will include periodic meetings between OIG and DC management officials and a fraud awareness presentation by OIG special agents to DC contract specialists, NRC project managers, NRC project officers, and other identified employees.

- Aggressively pursue investigations appropriate for Program Fraud Civil Remedies Act action, including abuses involving false reimbursement claims by employees and contractors.

- Coordinate with NRC property custodians and the Division of Facilities and Security (DFS) in instances involving theft of computers and other agency equipment.

- Coordinate with DFS regarding accountability issues surrounding property purchased with NRC funds by a contractor or property furnished by the NRC to a contractor.

- Coordinate with the Office of the Chief Financial Officer in instances involving abuse of individual credit cards issued to agency employees as well as credit cards issued for the procurement of supplies and equipment.

- Coordinate with OIG Audit IAMs in an effort to identify areas or programs with indicators of possible fraud, waste, and abuse.

- Conduct fraud awareness and information presentations for NRC employees regarding the role of NRC OIG.

OIG Hotline

- Promptly process complaints received via the OIG Hotline. Initiate investigations when warranted and properly dispose of allegations that do not warrant OIG investigation.

Freedom of Information Act/Privacy Act

- Promptly process all requests for information received under the Freedom of Information Act. Coordinate as appropriate with the General Counsel to the IG and the Freedom of Information/Local Public Document Room Branch.

NRC Support

- Participate as observers on Incident Investigation Teams and Accident Investigation Teams as determined by the IG.

Liaison Program

- Maintain close working relationships with other law enforcement bodies, public interest groups, and the Congress. This will be accomplished through periodic meetings with AIGIs, pertinent congressional staff, public interest groups, and appropriate law enforcement organizations.

- Maintain a viable regional liaison program to foster a closer working relationship with NRC regional offices.

- Establish and maintain NRC OIG active participation in OIG community fraud working groups, multiagency fraud task forces, and multiagency undercover operations where a nexus to NRC programs and operations has clearly been established.

ALLOCATION OF RESOURCES

Investigations undertakes both proactive initiatives and reactive investigations. Approximately 85 percent of available investigative resources will be used for reactive investigations. The balance will be allocated to proactive investigative efforts such as reviews of NRC contract files, examinations of NRC information technology systems to identify weaknesses or misuse by agency employees, participation in interagency task forces and working groups, reviews of delinquent Government credit card accounts, and other initiatives.

APPENDIX E

ISSUE AREAS AND DESIGNATED ISSUE AREA MONITORS

ISSUE AREAS AND DESIGNATED ISSUE AREA MONITORS

NUCLEAR SAFETY

NUCLEAR REACTOR SAFETY

Joe Capuano
Andrea Ferkile
Vicki Foster
Kevin Nietmann
R.K. Wild
Tim Wilson

NUCLEAR MATERIALS SAFETY AND SAFEGUARDS

Levar Cole
Sherri Miotla
Kevin Nietmann
Michael Zeitler

NUCLEAR WASTE SAFETY

Amy Hardin
Yvette Mabry
Kevin Nietmann
Jacki Storch
Robert Woodward

SECURITY AND INFORMATION TECHNOLOGY

INFORMATION MANAGEMENT AND SECURITY

Gail Butler
Maxinne Lorette
Beth Serepca
Rebecca Underhill

NUCLEAR SECURITY

Michael Blair
Paul Rades

CORPORATE MANAGEMENT

FINANCIAL AND ADMINISTRATIVE

Elaine Kolb
Eric Rivera
Michael Steinberg
Kathleen Stetson
Rick Sylvester
John Tornabane

CONTRACTS AND PROCUREMENT

Terri Cooper
Kathleen Stetson

HUMAN RESOURCES

Michael Steinberg

INTERNATIONAL PROGRAMS

Elaine Kolb

APPENDIX F

ABBREVIATIONS AND ACRONYMS

ABBREVIATIONS AND ACRONYMS

AIGI	Assistant Inspector General for Investigations
AP1000	Advanced Passive 1000
CFR	Code of Federal Regulations
DC	Division of Contracts
DCAA	Defense Contract Audit Agency
DFS	Division of Facilities and Security
DI&C	digital technology instrumentation and control
DOE	U.S. Department of Energy
DOJ	U.S. Department of Justice
E-Safe	Electronic Safe
FAIMIS	Financial Accounting and Integrated Management System
FAR	Federal Acquisition Regulation
FICAM	Federal Identity, Credential, and Access Management
FISMA	Federal Information Security Management Act
FY	fiscal year
HSPD-12	Homeland Security Presidential Directive-12
IAM	Issue Area Monitor
ICAM	Identity, Credential, and Access Management
IMC	Inspection Manual Chapter
ITAAC	inspections, tests, analyses, and the acceptance criteria
IG	Inspector General
ISFSI	Independent Spent Fuel Storage Installation
NRC	U.S. Nuclear Regulatory Commission
NRCAR	NRC Acquisition Regulation
NSIR	Office of Nuclear Security and Incident Response
OBRA-90	Omnibus Budget Reconciliation Act of 1990
OIG	Office of the Inspector General
PRA	Probabilistic Risk Assessment
SAPHIRE	Systems Analysis Programs for Hands-on Integrated Reliability Evaluations

SDP	Significance Determination Process
SGI	Safeguards Information
SGI-LAN	Safeguards Information Local Area Network
SLES	Safeguards Information Local Area Network and Electronic Safe
TVA	Tennessee Valley Authority
UMTRCA	Uranium Mill Tailings Radiation Control Act of 1978
VA	Department of Veterans Affairs