



Task Number: G20120895

General Information

Lead Assignee: NSIR

OEDO Due Date: 07/02/2013

Other Assignees:

SECY Due Date:

Other Parties:

Subject: Status of Recommendations: Audit of the Nuclear Regulatory Commission's Management of the Baseline Security Inspection Program (OIG-12-A-10)

Description:

CC Routing:

ADAMS Accession Numbers - Incoming:

Response / Package:

Other Information

Cross Reference OIG-12-A-10

SRM\Other: No

Process Information

Action Type: Memo

OEDO Concurrence: No

Signature Level: Direct Reply

OCM Concurrence: No

Special Instructions:

OCA Concurrence: No

Please provide a complete response to Stephen D. Dingbaum, OIG addressing ALL resolved recommendations. Be sure to include the target completion date and identify the current point-of-contact for each recommendation. Forward final memo via email to Judy Gordon, cc: Stephen Dingbaum, Steven Zane and RidsEdoMailCenter by July 2, 2013. If applicable, be sure to attach in email any Enclosures to the response. See additional instructions attached.

Document Information

Originator Name: Stephen D. Dingbaum

Date of Incoming: 11/20/2012

Originator Org: OIG

Document Received by OEDO Date: 11/20/2012

Date Response Requested by 07/02/2013

Originator:

Addressee: R. W. Borchardt, EDO

Incoming Task: Memo

OEDO POC: Jesse Arildsen

Template: EDO-001

E-RIDS: EDO-01



**UNITED STATES**  
**NUCLEAR REGULATORY COMMISSION**  
WASHINGTON, D.C. 20555-0001

OFFICE OF THE  
INSPECTOR GENERAL

November 20, 2012

MEMORANDUM TO: R. W. Borchardt  
Executive Director for Operations

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

SUBJECT: AUDIT OF NRC'S MANAGEMENT OF THE BASELINE  
SECURITY INSPECTION PROGRAM (OIG-12-A-10)

REFERENCE: DIRECTOR, OFFICE OF NUCLEAR SECURITY AND  
INCIDENT RESPONSE, MEMORANDUM DATED  
OCTOBER 24, 2012

Attached is the Office of the Inspector General's (OIG) analysis and status of the recommendations as discussed in the agency's response dated October 24, 2012. Based on this response, recommendations 1, 2, 3, 4, and 5 are in resolved status. Please provide an updated status of the resolved recommendations by July 2, 2013.

If you have any questions or concerns, please call me at 415-5915 or Beth Serepca, Team Leader, at 415-5911.

Attachment: As stated

cc: N. Mamish, OEDO  
K. Brock, OEDO  
J. Arildsen, OEDO  
C. Jaegers, OEDO

## Audit Report

### AUDIT OF NRC'S MANAGEMENT OF THE BASELINE SECURITY INSPECTION PROGRAM

OIG-12-A-10

#### Status of Recommendations

Recommendation 1: Develop and maintain a centralized database of security findings data to be used for evaluating licensee performance trends, and communicating this information to NRC staff, industry, and appropriate public stakeholders.

#### Agency Response

Dated October 24, 2012: A centralized database of security findings data is currently being developed. Staff is working with the Office of Information Services to construct the database and is in the process of determining the data needs of the regional offices and other NRC headquarters program offices.

On May 2, 2012, the Assistant Inspector General for Audits provided the audit report to the Executive Director for Operations. The Office of Nuclear Security and Incident Response (NSIR) is on schedule for full implementation of the centralized database by October 2013, as stated in the audit report. The NSIR point of contact is Shyrl Coker.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. OIG will close this recommendation when OIG staff have reviewed documentation of NSIR's data collection and analysis procedures, and have verified that the centralized security database functions as intended in accordance with Recommendation 1.

**Status:** Resolved.

## Audit Report

### AUDIT OF NRC'S MANAGEMENT OF THE BASELINE SECURITY INSPECTION PROGRAM

OIG-12-A-10

#### Status of Recommendations

Recommendation 2: Formalize and implement a process for maintaining current and accurate data within a centralized database.

#### Agency Response

Dated October 24, 2012: The development of the NSIR office procedure for maintaining current and accurate security findings data within a centralized database will begin by the end of Calendar Year (CY) 2012.

On May 2, 2012, the Assistant Inspector General for Audits provided the audit report to the Executive Director for Operations. Due to other mission critical tasks of a higher priority, NSIR staff plans to extend the time line for issuance of the NSIR office procedure from the first quarter of CY 2013, as stated in the audit report, until the second quarter of CY 2013. The NSIR point of contact is Shyrl Coker.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. OIG will close this recommendation after OIG staff have reviewed NSIR's new office procedure for maintaining current and accurate security findings data in a centralized database and have verified implementation of this new guidance.

**Status:** Resolved.

## Audit Report

### AUDIT OF NRC'S MANAGEMENT OF THE BASELINE SECURITY INSPECTION PROGRAM

OIG-12-A-10

#### Status of Recommendations

Recommendation 3: Formalize and implement a process for ensuring Safeguards Information (SGI) findings data is current and accessible for use in trending security findings issues.

#### Agency Response

Dated October 24, 2012: The inclusion of formal instructions in an NSIR office procedure, to ensure Safeguards Information findings data is current and accessible for trending purposes, was to begin by the end of CY 2012. These formal instructions are still planned to be incorporated into the same NSIR office procedure as being developed and issued in the above status update for Recommendation 2.

On May 2, 2012, the Assistant Inspector General for Audits provided the audit report to the Executive Director for Operations. Due to other mission critical tasks of a higher priority, NSIR staff plans to extend the time line for issuance of the NSIR office procedure from the first quarter of CY 2013, as stated in the audit report, until the second quarter of CY 2013. The NSIR point of contact is Shyrl Coker.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. OIG will close this recommendation after OIG staff have verified that the NSIR office procedure referenced under Recommendation 2 contains instructions specific to SGI findings data and have confirmed implementation of this new office procedure in accordance with Recommendation 2.

**Status:** Resolved.

## Audit Report

### AUDIT OF NRC'S MANAGEMENT OF THE BASELINE SECURITY INSPECTION PROGRAM

OIG-12-A-10

#### Status of Recommendations

Recommendation 4: Formalize and implement procedures for testing draft Significance Determination Process (SDP) tools by staff to determine how draft tools would screen past violations and/or hypothetical security violations.

#### Agency Response

Dated October 24, 2012: The NSIR office procedure to implement the practice of testing draft SDP tools is being developed by staff.

On May 2, 2012, the Assistant Inspector General for Audits provided the audit report to the Executive Director for Operations. NSIR staff is on schedule for issuance of this office procedure by the first quarter of CY 2013, as stated in the audit report. The NSIR point of contact is F. Paul Peduzzi.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. OIG will close this recommendation after OIG staff have reviewed NSIR's office procedure for testing draft SDP tools and verified implementation of this new guidance.

**Status:** Resolved.

## Audit Report

### AUDIT OF NRC'S MANAGEMENT OF THE BASELINE SECURITY INSPECTION PROGRAM

OIG-12-A-10

#### Status of Recommendations

Recommendation 5: Formalize and implement a process for performing periodic review of existing security SDP tools to check for consistency of application and results.

#### Agency Response

Dated October 24, 2012: Inspection Manual Chapter (IMC) 0609, Appendix E, "Significance Determination Process," is currently under revision to incorporate language directing staff to perform an annual audit of the security SDP and associated tools in accordance with IMC 0307, Appendix A.

On May 2, 2012, the Assistant Inspector General for Audits provided the audit report to the Executive Director for Operations. NSIR staff is on schedule to revise IMC 0609, Appendix E, by the end of CY 2012, as stated in the audit report. The NSIR point of contact is F. Paul Peduzzi.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. OIG will close this recommendation after OIG staff have reviewed the updated version of IMC 0609, Appendix E, to ensure that it aligns with IMC 0307, Appendix A, and have verified that a periodic review of security SDP tools are performed in accordance with this updated guidance.

**Status:** Resolved.

## **Additional Instructions to Action Offices/Regions on Responding to OIG Requests for Status Updates for OIG Report Recommendations**

The action Offices/Region should provide a memorandum addressed to the Assistant Inspector General for Audits (AIGA) signed by the Office Director or Regional Administrator. The response should provide the status of each recommendation in the associated OIG audit report.

The memorandum should provide updated status for the OIG report recommendations by the date specified. An extension will not be granted since the memorandum is requesting a status of the recommendation(s), not the completion of the recommendation(s).

Please ensure the updated status memorandum addresses all “resolved” and “unresolved” recommendations and include for each recommendation separately:

- (a) the recommendation by number, repeating its text verbatim,
- (b) a response that describes under each recommendation the action(s) needed for closure,
- (c) the target completion date for the action(s), and
- (d) the identification of the current point-of-contact.

When appropriate, ensure applicable document(s) to support OIG closure of recommendation(s) are attached as Enclosures and/or provide an ADAMS accession number with viewer rights. Be sure to include the audit number, for example: OIG-11-A-01, and task number(s) to the case reference field in the ADAMS profile.

Forward the memorandum to OIG via email, as described in the Special Instructions or Remarks in the associated action item ticket.

Please note that status update memoranda that are in response to publically available OIG audit report recommendations should be profiled in ADAMS to be publically available, and the memorandum should not be marked to the contrary.