April 2, 2015

MEMORANDUM TO: Mark A. Satorius
                   Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S
                   INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE
                   CRITERIA (ITAAC) PROCESS (OIG-12-A-16)

REFERENCE: DIRECTOR, OFFICE OF NEW REACTORS, MEMORANDUM
                   DATED FEBRUARY 20, 2015

Attached is the Office of the Inspector General's (OIG) analysis and status of
recommendations as discussed in the agency's response dated February 20, 2015.
Based on this response, recommendation 4 is closed. Recommendation 10 is resolved.
Recommendations 1, 2, 3, 5, 6, 7, 8, and 9 were previously closed. Please provide an
updated status of the resolved recommendations by August 31, 2015.

If you have questions or concerns, please call me at 415-5915 or R.K. Wild, Team
Leader, at 415-5948.

Attachment: As stated

cc: M. Galloway, OEDO
       B. Pham, OEDO
       J. Arildsen, OEDO
       G.Tracy, NRO
       EDO_ACS Distribution

Recommendation 4:   Develop and deliver training for the ITAAC process based on
the results of needs assessments.

Agency Response
Dated February 20, 2015:   The Introduction to Inspections, Tests, Analyses, and
Acceptance Criteria (ITAAC) course was completed in
December 2014 and is available in iLearn (Course ID 155144).
Training needs analysis guidance has been incorporated into
Human Resources Training and Development (HRTD)
Operating Procedure (OP) No. 0406, "Systematic Training
Program Development Process" (OP 0406), Revision 2, which
was issued on November 26, 2013, (Agencywide Documents
Access and Management System (ADAMS) Accession No.
ML14006A356). The Office of Personnel Management (OPM)
guidance for training needs assessments suggests a three
stage evaluation process. The first stage is an organizational
assessment. In the organizational assessment, an agency or
an office will identify the positions with associated job tasks to
be performed, that are required to successfully complete its
mission. The second stage is an occupational assessment.
The goal of the occupational assessment is to identify the
knowledge, skills, and abilities required to successfully
complete the tasks in the given position or occupation. The
third stage, or individual assessment, is accomplished by the
supervisor reviewing the performance of an employee against
the job tasks the employee performs and identifying any
weaknesses or needs for improvement in knowledge or skills.
This should be done in the performance appraisal and through
the individual development planning process.

The three-stage evaluation process, although not specifically
mentioned, is captured in the questions located in the
attachments to the HRTD operating procedure. Specifically,
the organizational assessment is included in Attachment 2,

**AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES,
AND ACCEPTANCE CRITERIA (ITAAC) PROCESS**

OIG-12-A-16

Status of Recommendations

Recommendation 4 (cont.):

Learning and Development Intake form, where the requesting office identifies a need for specific knowledge or skills to be further developed by its staff to meet the performance requirements of its mission. Attachment 3, Learning and Development Project Scope, guides the learning development project team through the occupational assessment and is used to determine what skills are needed and how they will be performed by the targeted position or group for which the training is being developed. Although not captured explicitly in HRTD OP 0406, the third stage as defined by OPM— individual assessment—is inherently performed by the supervisor when determining what training his or her staff should attend.

OIG Analysis: The proposed actions meet the intent of OIG's recommendation. OIG reviewed the online training, HRTD 0406 and attachments and determined that the ITAAC training was based on OPM training needs assessments and became available for use December 2014. Therefore this recommendation is closed.

Status: Closed.

**AUDIT OF NRC'S INSPECTIONS, TESTS, ANALYSES,
AND ACCEPTANCE CRITERIA (ITAAC) PROCESS**

OIG-12-A-16

Status of Recommendations

Recommendation 10:   Develop and implement a change management process to address future change in the ITAAC process that can create barriers to effective communication and coordination.

Agency Response
Dated February 20, 2015:   The ITAAC and Generic Communications Branch (IGCB) has developed and implemented a formal change management process for addressing future changes in the ITAAC process. The "Change Management for ITAAC Processes" procedure was developed using the Office of Information Services Procedure, "Business Process Change Management Procedures (OIS-0203, Revision 1)," as a framework, and has been tailored to ITAAC processes. In January 2015, IGCB staff members were trained on the procedure, which is available in ADAMS (Accession No. ML14212A470) and on the IGCB SharePoint page at:
http://epm.nrc.gov/inspection/ITAAC_dac/default.aspx.

OIG Analysis: The agency's actions continue to partially meet the intent of OIG's recommendation. OIG reviewed NRO's Change Management guidance, issued on December 17, 2014, and found that it provides an adequate basis for a planned, systematic approach to change management as it relates to the ITAAC process. However, OIG notes that there are still weaknesses in the guidance, particularly regarding specifics of how to implement the change management process and, more importantly, when the change management process must be used (rather than should or could be used) or what kind of training is required. For example, the procedure states that that training will be provided "as needed," but provides no additional detail. This procedure is an adequate first step, but for closure, additional steps are needed to include specific guidance on training, management involvement in implementation, and communication of the new procedures/process.

Recommendation 10 (cont.):
.

           Furthermore, OIG notes that on March 19, 2015, OIG initiated a wider audit of NRC's overall change management process and that the outcome of that audit could affect this guidance.

Status: Resolved.