



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

**OFFICE OF THE
INSPECTOR GENERAL**

April 28, 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
PROCESS FOR REVISING MANAGEMENT DIRECTIVES
(OIG-14-A-19)

REFERENCE: DIRECTOR, OFFICE OF ADMINISTRATION,
MEMORANDUM DATED APRIL 10, 2015

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the agency's response dated April 10, 2015. Based on this response, recommendation 7 is closed. Recommendations 1-6 and 8-9 remain in resolved status. Please provide an updated status of the resolved recommendations by November 30, 2015.

If you have any questions or concerns, please contact me at 415-5915 or Eric Rivera, Team Leader, at 415-7032.

Attachments: As stated

cc: M. Galloway, OEDO
J. Arildsen, OEDO
B. Pham, OEDO
C. Carpenter, ADM
D. Meyer, ADM
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Audit Report

AUDIT OF NRC'S PROCESS FOR REVISING MANAGEMENT DIRECTIVES

OIG-14-A-19

Status of Recommendations

Recommendation 1:

Revise MD 1.1 to

- a. Elevate authority required for approving extensions. Extensions can only be granted by the Chairman, the Executive Director for Operations, the Chief Financial Officer, or their designees (no lower than Deputy Executive Directors for Operations, Assistant for Operations, or Deputy Chief Financial Officer), as appropriate.
- b. Include guidelines for resetting MD initial due dates. Require Executive Director for Operations, or designee, approval to reset initial due dates. Clearly state the parameters for resetting due dates.
- c. Clearly state the parameters and guidelines for granting extensions, and provide that even if an extension is granted, the authoring office will receive a "red" on the corporate measure scorecard unless they also meet the new MD 1.1 guidelines (recommendation 1.b) for having the initial due date reset.

Agency Response Dated
April 10, 2015:

Agree. The Office of Administration (ADM) has reviewed the MD extension process and is revising MD 1.1, "NRC Management Directives System," to incorporate changes to the MD revision process since the MD was last issued in 2011. ADM will provide the draft MD for office comment by July 30, 2015.

On April 3, 2015, the Deputy Executive Director for Corporate Management issued a memorandum to offices implementing new policy and procedures for extensions to MD due dates (ADAMS Accession No.ML15043A789). The new policy and procedures will be captured in the revised MD 1.1. The target completion date to submit the MD to the Chairman for review and approval is March 31, 2016, to align with the current revision cycle. ADM is on schedule to meet this target date. The point of contact (POC) for this initiative is Helen Chang.

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Status of Recommendations

Recommendation 1 (cont.):

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews the revised Management Directive 1.1, which incorporates the specific revisions described in Recommendation 1.

Status: Resolved.

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Status of Recommendations

Recommendation 2: Require a suspense due date for final concurrence/approval by the Executive Director for Operations and Chairman when submitting MD concurrence packages to those offices, so that the MD can be tracked in the Office of the Executive Director for Operations' tracking system.

Agency Response Dated
April 10, 2015:

Agree. MD 1.1 does not require a due date for action by the Executive Director for Operations and Chairman. ADM will revise MD 1.1 to include a due date for final concurrence and approval that aligns with the correspondence procedures of the Commission and the Office of the Executive Director for Operations. The target completion date to revise MD 1.1 is March 31, 2016. ADM is on schedule to meet this target date. The POC for this initiative is Helen Chang.

OIG Analysis:

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews documentation that describes the suspense due date requirement described in Recommendation 2.

Status:

Resolved.

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Status of Recommendations

Recommendation 3: Require MD author participation in ADM's MD revision "kickoff" meetings.

Agency Response Dated
April 10, 2015:

Agree. On April 3, 2015, the Deputy Executive Director for Corporate Management issued a memorandum to offices implementing the new meeting requirement (ADAMS Accession No. ML15043A789). The target completion date for the NRC announcement of the requirement is June 30, 2015. ADM is on schedule to meet this target date. The POC for this initiative is Helen Chang.

OIG Analysis:

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews documentation that describes the requirement for management directive author participation in ADM's management directive revision "kickoff" meetings.

Status:

Resolved.

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Status of Recommendations

Recommendation 4: Develop and implement a performance measure that effectively evaluates MD revision timeliness for MDs that begins with the kickoff meeting and ends with the issuance date of the MD. In addition, provide the reported results quarterly to the Office of the Executive Director for Operations and office directors.

Agency Response Dated
April 10, 2015:

Agree. ADM is developing this measure and will coordinate this measure with the offices and regions before presenting it to the Office of the Executive Director for Operations for implementation. ADM is developing a new process in SharePoint to track and report the performance measure from the kickoff meeting through MD issuance. The target completion date to finalize and implement the new corporate measure and reporting requirements is March 31, 2016. ADM is on schedule to meet this target date. The POC for this initiative is Helen Chang.

OIG Analysis:

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews documentation that shows ADM has developed and implemented a performance measure that effectively evaluates management directive revision timeliness as described in Recommendation 4.

Status:

Resolved.

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Status of Recommendations

Recommendation 5: Develop and implement an effective process to link MDs to yellow policy announcements at the time offices issue the yellow policy announcements.

Agency Response Dated
April 10, 2015:

Agree. ADM will develop and implement a process to link MDs to yellow policy announcements at the time offices issue the yellow policy announcements. The target completion date for this new process is September 30, 2015. ADM is on schedule to meet this target date. The POC for this initiative is Helen Chang.

OIG Analysis:

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews documentation showing that ADM has developed and implemented an effective process to link management directives to yellow policy announcements at the time offices issue the yellow policy announcements.

Status:

Resolved.

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Status of Recommendations

Recommendation 6: Develop and implement an adequate mechanism to track yellow policy announcements.

Agency Response Dated
April 10, 2015:

Agree. ADM is continuing its review of the agency's catalog of yellow policy announcements. ADM is developing and implementing a process to track yellow policy announcements. The target completion date for this new tracking system, including process and procedures, is January 30, 2016. ADM is on schedule to meet this target date. The POC for this initiative is Helen Chang.

OIG Analysis:

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews documentation showing that ADM has developed and implemented an adequate mechanism to track yellow policy announcements.

Status:

Resolved.

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Status of Recommendations

Recommendation 7: Require yellow policy announcement owners to detail in the yellow policy announcement the MDs affected and the specific sections affected within these MDs.

Agency Response Dated
April 10, 2015:

Agree. On April 3, 2015, the Deputy Executive Director for Operations issued a memorandum to offices requiring yellow announcements to specify the affected section of the MD (ADAMS Accession No. ML15043A789). The target completion date for capturing this new process in MD 3.16, "NRC Announcement Program," is January 30, 2016. ADM is on schedule to meet this target date. The POC for this initiative is Helen Chang.

OIG Analysis:

OIG reviewed the April 3, 2015, Deputy Executive Director for Operations guidance memorandum to offices and determined it addresses the intent of this recommendation. This recommendation is therefore considered closed.

Status:

Closed.

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Status of Recommendations

Recommendation 8: Revise the list of "Related Policy Documents" for each MD to include only yellow policy announcements issued after the current MD version date.

Agency Response Dated
April 10, 2015:

Agree. ADM is developing a new process to display yellow policy announcements that have been issued after the issuance date of the current MD. ADM will revise the list of "Related Policy Documents" for each MD. The target completion date for the new process is January 30, 2016. ADM is on schedule to meet this target date. The POC for this initiative is Helen Chang.

OIG Analysis:

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews the revised list of "Related Policy Documents" for each management directive, and determines it includes only yellow policy announcements issued after the current management directive version date.

Status:

Resolved.

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Status of Recommendations

Recommendation 9: Revise MD 3.16 to require an expiration date for yellow policy announcements.

Agency Response Dated
April 10, 2015:

Agree. ADM will revise MD 3.16, "NRC Announcement Program," to ensure that the information identified in Recommendations 7, 8, and 9 is incorporated in agencywide guidance. ADM remains on schedule to provide the draft MD for office comment by October 30, 2015. The target completion date for the new process requiring an expiration date is June 30, 2016. ADM is on schedule to meet this target date. The POC for this initiative is Helen Chang.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews the revised Management Directive 3.16, and determines it requires an expiration date for yellow policy announcements.

Status: Resolved.