

April 28, 2016

MEMORANDUM TO: Stephen D. Dingbaum  
Assistant Inspector General for Audits

FROM: Cynthia A. Carpenter, Director */RA SStewart-Clark for/*  
Office of Administration

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF THE  
U.S. NUCLEAR REGULATORY COMMISSION'S  
PROCESS FOR REVISING MANAGEMENT  
DIRECTIVES (OIG-14-A-19)

This memorandum provides the status of recommendations from the Office of the Inspector General's (OIG) audit report titled, "Audit of NRC's Process for Revising Management Directives [MD]," (OIG-14-A-19) (Agencywide Documents Access and Management System (ADAMS) Accession No. [ML14258A612](#)). The OIG issued its analysis of recommendations on January 5, 2016 (ADAMS Accession No. [ML16005A364](#)).

Each recommendation and the corresponding status are as follows:

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 (EDO), 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 EDO, 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.

CONTACT: Cindy Bladey, ADM/DAS  
(301) 415-3280

Response:

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. 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 are captured in the revised MD 1.1.

On October 23, 2015, ADM provided MD 1.1 for review and comment to the Offices of the General Counsel, Inspector General, Chief Financial Officer, and the Chief Human Capital Officer (ADAMS Accession No. [ML15201A548](#)). MD 1.1 was issued on March 25, 2016 (ADAMS Accession No. [ML16047A399](#)). This focused change addressed the OIG audit recommendations. This approach is similar to the 2009 revision of MD 1.1, which also addressed OIG audit recommendations. ADM considers this recommendation closed. The point of contact (POC) for this initiative is Helen Chang.

Recommendation 2:

Require a suspense due date for final concurrence/approval by the EDO 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' (OEDO) tracking system.

Response:

ADM anticipates this recommendation will be addressed by the upcoming revision of the Internal Commission Procedures (Handbook). OEDO action due dates will be captured on the MD routing and transmittal form, as well as tracked in the OEDO tracking system. The revised target completion date for this recommendation is June 30, 2016. ADM is on schedule to meet this target date. The POC for this initiative is Helen Chang.

Recommendation 3:

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

Response:

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](#)). As of January 5, 2016, the OIG accepted and closed Recommendation 3 (ADAMS Accession No. [ML16005A364](#)). The POC for this initiative is Helen Chang.

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 OEDO and office directors.

Response:

On August 28, 2015, the Performance Improvement Panel voted to incorporate the reclassified agencywide indicator into the fiscal year (FY) 2016 performance measures. The performance measure begins from the required kickoff meeting and ends at MD issuance. The measure is available at the OEDO SharePoint page for [FY 2016 Performance Indicators](#). Please note that the measure is in effect, and FY 2016 Q3 will be the first reported measure. The POC for this initiative is Helen Chang.

Recommendation 5:

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

Response:

On March 3, 2016, ADM issued the memo to notify the offices regarding the status of yellow policy announcements issued from January 22, 1976, to December 31, 2015 (ADAMS Accession No. [ML15162B073](#)). ADM issued a new template for MDs that contains a first-page link to an [online index](#) of current yellow policy announcements (e.g., [MD 10.2](#)). New and revised MDs will link to the index of yellow policy announcements. By directing staff to the index of applicable announcements, ADM believes this process will allow staff to easily distinguish the current policy. On an ongoing basis, ADM is updating every yellow policy announcement that is archived on the agency's internal Web site to reflect its status. As noted on March 3, ADM will continue to maintain all yellow announcements as official agency records in ADAMS (all staff have viewer rights to the ADAMS "Yellow Announcements" folder). ADM considers this recommendation closed. The POC for this initiative is Helen Chang.

Recommendation 6:

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

Response:

On March 3, 2016, ADM implemented a process to track yellow policy announcements (ADAMS Accession No. [ML15162B073](#)). The new tracking system is available in SharePoint at [http://fusion.nrc.gov/adm/team/DAS/RADB/MD/Lists/yellowtoMD\\_index/AllItems.aspx](http://fusion.nrc.gov/adm/team/DAS/RADB/MD/Lists/yellowtoMD_index/AllItems.aspx), as of March 9, 2016. ADM provided guidance to offices regarding the requirements for an MD reference and related expiration date for a yellow policy announcement (see Exhibit 3 on the [NRC's Creating and Submitting Yellows Web site](#)). ADM considers this recommendation closed. The POC for this initiative is Helen Chang.

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.

Response:

On April 3, 2015, the Deputy Executive Director for Operations issued a memorandum to offices requiring that yellow announcements specify the affected section of the MD (ADAMS Accession No. [ML15043A789](#)). As of April 28, 2015, the OIG accepted and closed Recommendation 7 (ADAMS Accession No. [ML15118A385](#)). The POC for this initiative is Helen Chang.

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.

Response:

ADM developed a new process to display yellow policy announcements that have been issued after the issuance date of the current MD. For new or revised MDs, the list of "Related Policy Documents" links to yellow policy announcements issued after the date of issuance of the current MD version ([http://fusion.nrc.gov/adm/team/DAS/RADB/MD/Lists/yellowtoMD\\_index/AllItems.aspx](http://fusion.nrc.gov/adm/team/DAS/RADB/MD/Lists/yellowtoMD_index/AllItems.aspx)). For the entire MD catalog, the "NRC Policy Links" directly links to the index of "active" yellow policy announcements. In addition, the list of "Related Policy Documents" for new or revised MDs now also links directly to the index. ADM considers this recommendation closed. The POC for this initiative is Helen Chang.

Recommendation 9:

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

Response:

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. On November 5, 2015, ADM provided MD 3.16 for review and comment (ADAMS Accession No. [ML15286A450](#)). The Director of ADM intends to exercise delegated signature authority and issue the MD. 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.

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| NAME   | H. Chang     | C. Bladey       | J. Widdup  | S. Salter | S. Stewart | C. Carpenter<br>S. Stewart |
| DATE   | 04/14/16     | 04/14/16        | 04/18/16   | 04/20/16  | 04/28/16   | 04/28/16                   |

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