



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

**OFFICE OF THE
INSPECTOR GENERAL**

March 16, 2017

MEMORANDUM TO: Victor M. McCree
Executive Director for Operations

FROM: Dr. Brett M. Baker */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
JANUARY 27, 2017

Attached is the Office of the Inspector General's (OIG) analysis and status of the recommendations as discussed in the agency's response dated January 27, 2017. Based on this response, recommendations 1, 2, and 3 remain in resolved status. Recommendations 4 and 5 were closed previously. Please provide an updated status of the resolved recommendations by October 2, 2017.

If you have any questions or concerns, please call me at (301) 415-5915 or Beth Serepca, Team Leader, at (301) 415-5911.

Attachment: As stated

cc: R. Lewis, OEDO
H. Rasouli, OEDO
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J. Bowen, OEDO
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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 January 27, 2017: In response to Recommendation 1 from the Office of the Inspector General's (OIG's) audit of the NRC's Management of the Baseline Security Inspection Program (OIG-12-A-10), the Office of Nuclear Security and Incident Response (NSIR) assembled a working group with representatives from the Office of Nuclear Reactor Regulation (NRR), the Office of Information Services (OIS), and the Computer Security Office to assess various alternatives for a technologic solution for tracking security inspection findings in a secure environment.

Based on group discussion and after analyzing the solution, NSIR agrees with OIS's and NRR's assessment to pursue a Reactor-Replacement Program System (RRPS)-based solution that encompasses specific NSIR requirements. NSIR has considered all viable solutions and considers this solution to be the most cost effective with no additional cost to NSIR and the agency.

NSIR and NRR will continue to meet to ensure that NSIR requirements are accounted for as part of the RRPS development effort. The RRPS is still in the development phase and will be fully implemented in a phased approach with a targeted completion date for full implementation in June 2017.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. OIG will close this recommendation when OIG staff has reviewed documentation that RRPS will be able to be used for evaluating licensee performance trends, and communicating this information to NRC staff, industry,

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

OIG-12-A-10

Status of Recommendations
and appropriate public stakeholders.

Recommendation 1(cont.):

Status: Resolved.

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

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Status of Recommendations

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

Agency Response

Dated January 27, 2017: NSIR will develop an office procedure to ensure that data from the security inspection reports are archived in a centralized database. NSIR expects to have an office procedure in place for tracking and trending security findings following the full implementation of the RRPS in June 2017. NSIR's office procedure is expected to be implemented by September 2017.

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

Status: Resolved.

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

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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 January 27, 2017: In response to Recommendation 3 from the OIG's audit of the NRC's Management of the Baseline Security Inspection Program (OIG-12-A-10), NSIR assembled a working group with representatives from NRR, OCIO, and the Computer Security Office to assess various alternatives for a technologic solution for tracking security inspection findings in a secure environment.

Consistent with Recommendation 1 status, NSIR is pursuing an RRPS solution. Inspection reports containing SGI will continue to be stored in the Safeguards Local Area Network Electronic Safe (SLES) and RRPS will reference the inspection report document SLES tracking number. This solution further leverages NRC's investment in the RRPS at no additional cost to the agency, since tracking and trending functions can be performed within the RRPS.

The targeted completion date for full implementation of Recommendation 3 will be June 2017.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. OIG will close this recommendation after OIG staff has verified that there is a formalized process for ensuring SGI finding data is current and accessible for use in trending the security finding issues.

Status: Resolved.