



OFFICE OF THE
INSPECTOR GENERAL

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

December 20, 2017

MEMORANDUM TO: Victor M. McCree
Executive Director for Operations

FROM: Dr. Brett M. Baker */RA/*
Assistant Inspector General for Audits

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S
OVERSIGHT OF EMPLOYEE PARTICIPATION IN
AMERICAN SOCIETY OF MECHANICAL ENGINEERS
CODE COMMITTEES (OIG-17-A-11)

REFERENCE: DIRECTOR OF NUCLEAR REGULATORY RESEARCH
MEMORANDUM DATED OCTOBER 25, 2017

Attached is the Office of the Inspector General's analysis and status of recommendations as discussed in the agency's response dated October 25, 2017. Based on this response, recommendation 2 is closed. Recommendation 1 was previously closed. This closes all recommendations related to this report.

If you have questions or concerns, please call me at (301) 415-5915 or Paul Rades, Team Leader, at (301) 415-6228.

Attachment: As stated

cc: R. Lewis, OEDO
H. Rasouli, OEDO
J. Jolicouer, OEDO
J. Bowen, OEDO
EDO_ACS Distribution Resource

Audit Report

Audit of NRC's Oversight of Employee Participation in American Society of Mechanical Engineers Code Committees

OIG-17-A-11

Status of Recommendations

Recommendation 2: Finalize and implement controls in the MD 6.5 implementation plan to strengthen ASME code committee representatives' adherence to ethics policies, such as but not limited to, financial disclosure reporting.

Agency Response Dated
October 25, 2017:

The staff completed its actions in response to the second recommendation. The staff assessed the NRC's internal controls that are in place to help ensure adherence to ethics policies and determined whether additional controls are needed. Upon review of the controls and practices in the agency, the staff concluded the following.

1. The existing guidance and controls on ethics are adequate to ensure that NRC participants in SDOs adhere to ethics policies.
2. The existing guidance and controls in MD 6.5 could be strengthened by enhanced training of NRC participants on ethics policies. The staff plans to incorporate this enhanced training in a near-term revision to the MD 6.5 implementing guidance. On October 2, 2017, the staff issued a revision to the implementing guidance. In addition, the staff implemented a new NRC form (NRC Form 654) to document completion of the training.
3. MD 7.6 provides guidance for identifying positions subject to filing a confidential financial disclosure report; however, in some cases office directors and regional administrators may nonetheless reach different conclusions about which positions should file reports.

Audit Report

Audit of NRC's Oversight of Employee Participation in American Society of Mechanical Engineers Code Committees

OIG-17-A-11

Status of Recommendations

Recommendation 2(cont.):

Based on the findings, the staff concluded that the staff will continue to strengthen adherence to ethics policies, including the training requirements that apply to code-committee representatives and alternates. OGC may develop additional guidance for determining the positions/functions required to file a confidential disclosure report. This may help the staff make more consistent determinations on who must file a report. The staff anticipates that this guidance would be considered for incorporation into the next revision of MD 7.6, or another form of durable implementing guidance.

Based on this update, staff considers the status of this recommendation to be closed.

Date of completion: October 2, 2017

Point of Contact:

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(301) 415-0860

OIG Analysis:

OIG verified that NRC staff's actions will strengthen ASME code committee representatives' adherence to ethics policies. Primarily, NRC staff implemented use of the new NRC Form 654, *SDO Participant Training Record Form*, which documents staff completion of ethics training. Therefore, recommendation 2 is closed.

Status:

Closed.