



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

**OFFICE OF THE
INSPECTOR GENERAL**

May 30, 2018

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
VENDOR INSPECTION PROGRAM (OIG-10-A-20)

REFERENCE: ACTING DIRECTOR, OFFICE OF NEW REACTORS,
MEMORANDUM DATED MAY 15, 2018

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the agency's response dated May 15, 2018. Based on this response, recommendation 7 is now closed. Recommendations 1, 2, 3, 4, 5, 6, 8, 9, and 10 were previously closed. Consequently, all recommendations for this audit are now closed. 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
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J. Bowen, OEDO
EDO_ACS_Distribution

Audit Report

AUDIT OF NRC'S VENDOR INSPECTION PROGRAM

OIG-10-A-20

Status of Recommendations

Recommendation 7: Issue regulatory guidance describing a process that NRC considers acceptable for compliance with Part 21.

Agency Response Dated
May 15, 2018:

Actions taken and planned:

In April of 2018, the staff issued Regulatory Guide (RG) 1.234, Rev. 0, "Evaluating Deviations and Reporting Defects and Noncompliance under 10 CFR Part 21". RG 1.234 was previously issued as Draft Guide (DG)-1291 dated July 2017. Regarding the development of DG-1291, in February 2016, the Nuclear Energy Institute (NEI) submitted NEI 14-09, Revision 1, "Guidelines for Implementation of 10 CFR Part 21 Reporting of Defects and Noncompliance" to the NRC for review and approval. The staff has completed its review of NEI 14-09 and RG 1.234, Rev. 0, with three clarifications (i.e., reporting requirements, training, and Part 21 applicability to design certification applicants) and endorses its use as an acceptable means of demonstrating compliance with the NRC's regulations. Therefore, NEI-14-09, Revision 1 provides adequate guidance to implement the requirements of Title 10 of the *Code of Federal Regulations* (10 CFR) Part 21, "Reporting of Defects and Noncompliance," and will supersede NUREG-0302, Revision 1, "Remarks Presented (Questions/Answers Discussed) at Public Regional Meetings to Discuss Regulations (10 CFR Part 21) for Reporting of Defects and Noncompliance: July 12–26, 1977," issued October 1977. This approach is consistent with SECY-11-0032, "Consideration of the Cumulative Effects of Regulation in the Rulemaking Process," dated March 2, 2011, and SECY-11-0135, "Staff Plans to Develop the Regulatory Basis for Clarifying the Requirements in Title 10 of the *Code of Federal Regulations*

Audit Report

AUDIT OF NRC'S VENDOR INSPECTION PROGRAM

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Status of Recommendations

Recommendation 7 (cont.):

Part 21, 'Reporting of Defects and Noncompliance,'" dated September 29, 2011.

Target Completion Date: The staff issued the final RG 1.234 (previously DG-1291) in April 2018.

Point of Contact: Antoinette Sakadales, NRO/DCIP/QVIB-3 (301) 415-6441

OIG Analysis:

OIG has reviewed RG 1.234 and verified that this guidance meets the intent of the recommendation. This recommendation is now closed.

Status:

Closed.