



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

**OFFICE OF THE
INSPECTOR GENERAL**

December 4, 2018

MEMORANDUM TO: Margaret M. Doane
Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATION: AUDIT OF NRC'S
DECOMMISSIONING FINANCIAL ASSURANCE
INSTRUMENT INVENTORY (OIG-18-A-09)

REFERENCE: DIRECTOR, OFFICE OF NUCLEAR MATERIAL SAFETY
AND SAFEGUARDS MEMORANDUM DATED
NOVEMBER 12, 2018

Attached is the Office of the Inspector General's (OIG) analysis and status of the recommendation as discussed in the agency's response dated November 12, 2018. Based on this response, recommendation 1 is resolved. Please provide a status update on the resolved recommendation by August 15, 2019.

If you have questions or concerns, please call me at (301) 415-5915, or Eric Rivera, Team Leader, at (301) 415-7032.

Attachment: As stated

cc: R. Lewis, OEDO
H. Rasouli, OEDO
J. Jolicoeur, OEDO
J. Bowen, OEDO
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Audit Report

AUDIT OF NRC'S DECOMMISSIONING FINANCIAL ASSURANCE INSTRUMENT INVENTORY

OIG-18-A-09

Status of Recommendation

- Recommendation 1: Update guidance to reflect current practices, including, but not limited to:
- A. Define what is to be kept in the files and/or safe and implement the guidance.
 - B. Define the filing methodology for the safe (e.g., by licensee, site, license, or instrument).
 - C. Require supporting documentation of completion of every step in the NMSS and NRR evaluations.
 - D. Describe procedural steps for NRR to complete the evaluations or state expectations for NRR to complete the same steps as NMSS.
 - E. Require written follow-up from the NMSS and NRR evaluations by the auditee to the evaluator, to ensure any identified discrepancies are corrected.
 - F. Require NMSS and NRR evaluation reports and the Inventory List to be marked OUO, as appropriate.
 - G. Require segregation of duties between the person in NMSS who maintains the Inventory List and the person who completes the annual evaluation.

Agency Response Dated
November 12, 2018:

The staff agrees with this recommendation.

Management Directive (MD) 8.12, "Decommissioning Financial Assurance Instrument Security Program," provides the guidance on maintaining and auditing the NRC's financial instrument inventory by headquarters and the Regions.

Planned Actions: MD 8.12 will be updated to address the OIG recommendation. To allow for a functional test of the revised approach and directions, a draft revision of MD 8.12 will be developed and utilized for the fiscal year (FY) 2018 internal and external audits. Based on the results of the functional test, a revised draft will be completed by December 31, 2018. The updated MD will be finalized by June 30, 2019, to allow for use in the FY 2019 internal audit.

Audit Report

AUDIT OF NRC'S DECOMMISSIONING FINANCIAL ASSURANCE INSTRUMENT INVENTORY

OIG-18-A-09

Status of Recommendation

Recommendation 1 (cont.):

Current Status: MD 8.12 has been updated to address the
OIG recommendation. It is currently in a 'draft-for-use'
status and is being used for the FY 2018 internal and
external audits by NMSS and NRR, respectively.

The target date for completion is June 30, 2019. If you have
any questions, please contact me, at (301) 415-1705 or John
Tappert, at (301) 415-7319.

OIG Analysis:

The proposed corrective action addresses the intent of OIG's
recommendation. OIG will close this recommendation after
reviewing the updated guidance and determining that it
reflects current practices as outlined in recommendation 1.

Status:

Resolved.