



# OFFICE OF THE INSPECTOR GENERAL

U.S. NUCLEAR REGULATORY COMMISSION  
DEFENSE NUCLEAR FACILITIES SAFETY BOARD

## Audit of NRC's Screening and Assessment of Proposed Generic Issues

OIG-19-A-07  
January 23, 2019



All publicly available OIG reports (including this report)  
are accessible through NRC's Web site at  
<http://www.nrc.gov/reading-rm/doc-collections/insp-gen>



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

**OFFICE OF THE  
INSPECTOR GENERAL**

January 23, 2019

MEMORANDUM TO: Margaret M. Doane  
Executive Director for Operations

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

SUBJECT: AUDIT OF NRC'S SCREENING AND ASSESSMENT  
OF PROPOSED GENERIC ISSUES (OIG-19-A-07)

Attached is the Office of the Inspector General's (OIG) audit report titled *Audit of NRC's Screening and Assessment of Proposed Generic Issues*.

The report presents the results of the subject audit. Following the January 15, 2019, exit conference, agency staff indicated that they had no formal comments for inclusion in this report.

Please provide information on actions taken or planned on each of the recommendations within 30 calendar days of the date of this memorandum. Actions taken or planned are subject to OIG followup as stated in Management Directive 6.1.

We appreciate the cooperation extended to us by members of your staff during the audit. If you have any questions or comments about our report, please contact me at (301) 415-5915 or Paul Rades, Team Leader, at (301) 415-6228.

Attachment: As stated



# Office of the Inspector General

U.S. Nuclear Regulatory Commission  
Defense Nuclear Facilities Safety Board

OIG-19-A-07

January 23, 2019

## Results in Brief

### Why We Did This Review

The U.S. Nuclear Regulatory Commission (NRC) defines a Generic Issue as a well-defined, discrete, technical or security issue, the risk/or safety significance of which can be adequately determined, and which: 1) applies to two or more facilities and/or licensees/certificate holders, or holders of other regulatory approvals (including design certification rules); 2) affects public health and safety, the common defense and security, or the environment; 3) is not already being processed under an existing program or process; and 4) can be resolved by new or revised regulation, policy, or guidance or voluntary industry initiatives.

A generic issue may lead to regulatory changes that either enhance safety, or reduce unnecessary regulatory burden. In 2014, NRC revised the Generic Issues Program to (1) improve timeliness, (2) clarify roles and responsibilities, (3) establish clear interfaces, and (4) increase stakeholder participation.

The audit objective was to determine whether NRC 1) screens and assesses potential nuclear power plant generic issues in a timely manner, and 2) adequately supports and documents decisions made during the process.

### *Audit of NRC's Screening and Assessment of Proposed Generic Issues*

#### What We Found

NRC's Generic Issues Program is generally run in accordance with agency guidance. However, the Program's screening stage can be strengthened through improved timeliness of initial screening and posting of documentation on the program website. Additionally, overall program management could be improved through better monitoring of labor resources used for Generic Issues.

#### What We Recommend

This report makes three recommendations to strengthen the screening stage of the Generic Issues Program and improve monitoring of labor resources. Agency management stated their general agreement with the findings and recommendations in this report.

---

## TABLE OF CONTENTS

---

<a href="#"><u>ABBREVIATIONS AND ACRONYMS</u></a> .....	i
I. <a href="#"><u>BACKGROUND</u></a> .....	1
II. <a href="#"><u>OBJECTIVE</u></a> .....	7
III. <a href="#"><u>FINDINGS</u></a> .....	7
A. Initial Screening Timeliness Could Be Improved .....	7
B. Documentation on Program Website is Not Complete .....	11
C. Labor Resources for Program-Related Activities Are Not Monitored .....	13
IV. <a href="#"><u>CONSOLIDATED LIST OF RECOMMENDATIONS</u></a> .....	17
V. <a href="#"><u>AGENCY COMMENTS</u></a> .....	18
<b>APPENDIX</b>	
A. <a href="#"><u>OBJECTIVE, SCOPE, AND METHODOLOGY</u></a> .....	19
<a href="#"><u>TO REPORT FRAUD, WASTE, OR ABUSE</u></a> .....	21
<a href="#"><u>COMMENTS AND SUGGESTIONS</u></a> .....	21

---

## **ABBREVIATIONS AND ACRONYMS**

---

ACRS	Advisory Committee on Reactor Safeguards
CAC	Cost Activity Codes
GAO	Government Accountability Office
GIMCS	Generic Issues Management Control System
GIRP	Generic Issues Review Panel
HEAF	High Energy Arc Faults
NRC	Nuclear Regulatory Commission
NRR	Office of Nuclear Reactor Regulation
OIG	Office of the Inspector General
RES	Office of Nuclear Regulatory Research
SES	Senior Executive Service

## I. BACKGROUND

---

NRC defines a Generic Issue as a well-defined, discrete, technical or security issue, the risk/or safety significance of which can be adequately determined, and which: (1) applies to two or more facilities and/or licensees/certificate holders, or holders of other regulatory approvals (including design certification rules); (2) affects public health and safety, the common defense and security, or the environment; (3) is not already being processed under an existing program or process; and (4) can be resolved by new or revised regulation, policy, or guidance or voluntary industry initiatives. A generic issue may lead to regulatory changes that either enhance safety, or reduce unnecessary regulatory burden.<sup>1</sup> For example, NRC began work on two Generic Issues pertaining to seismic and flooding hazards at U.S. nuclear power plants following the Fukushima nuclear accident in 2011.

NRC's Office of Nuclear Regulatory Research (RES) manages the Generic Issues Program and reports issue status to Congress and the public. The Regulatory Guidance and Generic Issues Branch within RES manages this program and coordinates the agencywide review, assessment, and disposition of potential and designated Generic Issues that could impact the agency's mission.

Additional agency staff have roles in the Generic Issues development process. Office of Nuclear Reactor Regulation (NRR) staff may conduct immediate safety concern reviews for proposed Generic Issues when the

---

<sup>1</sup> NRC established its Generic Issues Program in accordance with the *Energy Reorganization Act of 1974* to provide for the identification of Generic Issues, assignment of priorities, development of detailed action plans, projections of dollar and manpower costs, continuous high-level management oversight of progress, and public dissemination of information related to Generic Issues as they progress.

issues match their areas of expertise. In addition, NRC's Advisory Committee on Reactor Safeguards (ACRS) provides a forum where experts representing many technical perspectives can provide independent advice that is factored into the Commission's decision-making process.

In 2014, NRC revised the Generic Issues Program to (1) improve timeliness, (2) clarify roles and responsibilities, (3) establish clear interfaces, and (4) increase stakeholder participation.

NRC Management Directive 6.4, *Generic Issues Program* (revised January 2, 2015), and *RES Office Instruction TEC-002, Procedures for Processing Generic Issues, Revision 2* (Office Instruction TEC-002), are the primary programmatic guidance documents used by staff.<sup>2</sup>

### Three Stages of the Generic Issues Process

The Generic Issues dispositioning process consists of three stages: (1) screening, (2) assessment, and (3) regulatory office implementation.

#### *Stage 1: Screening*

The purpose of the screening stage is to evaluate proposed Generic Issues submitted by NRC staff or members of the public against seven screening criteria to determine if the proposed Generic Issues should either proceed to the assessment stage or be terminated. The Generic Issues Program addresses only those proposed issues that meet all seven of the following screening criteria to be considered for further processing. Application of the seven screening criteria helps identify safety issues that merit more in depth evaluation within the Generic Issues Program framework or, alternatively, cases where other agency programs may be better suited to further address the issues in question.

1. The issue affects public health and safety, the common defense and security, or the environment (with respect to radiological health and safety). For issues that are not amenable to quantification using risk assessment, qualitative factors may be developed and applied as necessary to assess safety/risk significance.

---

<sup>2</sup> Office Instruction TEC-002 was undergoing revision during this audit.

2. The issue applies to two or more facilities and/or licensees/certificate holders, or holders of other regulatory approvals.
3. The issue is not being addressed using other regulatory programs and processes, existing regulations, policies, or guidance.
4. The issue can be resolved by new or revised regulation, policy, or guidance.
5. The issue's risk or safety significance can be adequately determined in a timely manner (i.e., it does not involve phenomena or other uncertainties that would require long-term study and/or experimental research to establish the risk or safety significance).
6. The issue is well defined, discrete, and technical.
7. Resolution of the issue may involve review, analysis, or action by the affected licensees, certificate holders, or holders of other regulatory approvals.

During the screening stage, RES staff perform an initial review and concurrently forward the issue to the appropriate NRC program office to evaluate whether the proposed Generic Issue poses an immediate safety concern. This "initial screening" also serves to identify allegations or physical security problems warranting immediate action, and to preliminarily check proposed Generic Issues against the seven screening criteria.

The Generic Issues Review Panel (GIRP) is formed during the screening stage. The GIRP is responsible for guiding and reviewing the Generic Issue evaluations and assessments, and for making decisions for further actions. The GIRP performs a detailed evaluation to determine if the proposed Generic Issue meets all seven screening criteria in order to recommend whether the proposed Generic Issue should continue through the process or be terminated. Assigned by their respective office management in coordination with the Generic Issue Program Manager, the GIRP is typically composed of a Senior Executive Service (SES) level Chairman, technical experts, the Generic Issues Program Manager, and a

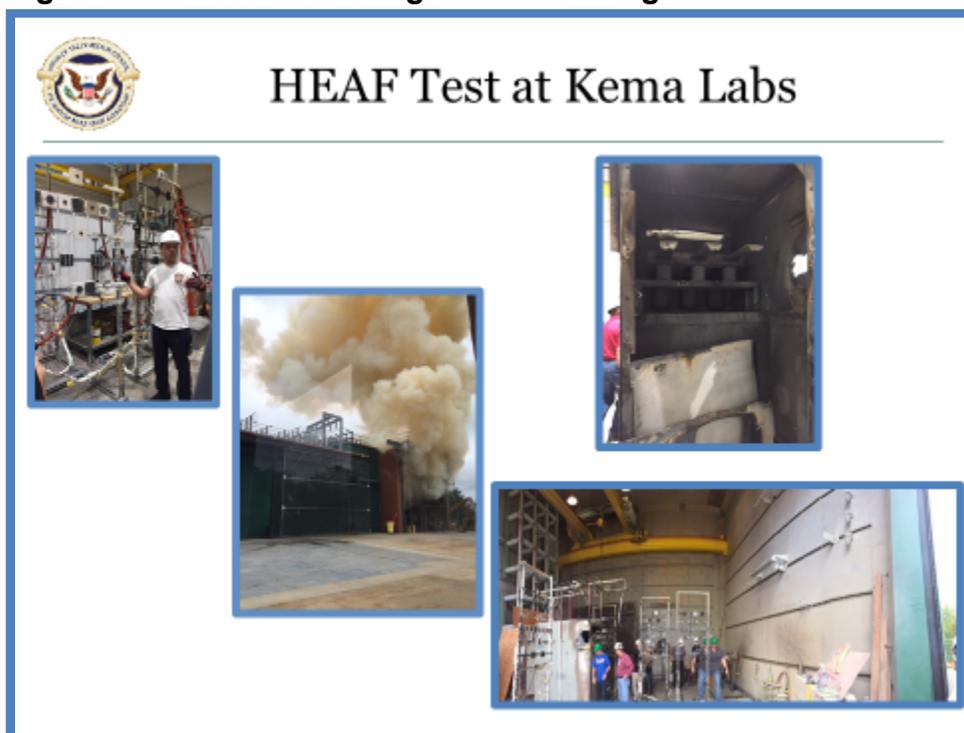
member of the RES Division of Engineering. The screening stage is expected to be typically completed in 9 to 18 months.

*Stage 2: Assessment*

The purpose of the assessment stage is to develop an assessment of a proposed Generic Issue to determine if it merits further regulatory action. The assessment of the proposed Generic Issue includes an evaluation of risk significance, safety significance, environmental significance, security significance, and regulatory compliance. An assessment team composed of the Generic Issue Program Manager and selected individuals with specific knowledge of the issue under review performs the work and reports to the GIRP Chairman. The assessment team provides support until the GIRP reaches a conclusion on whether the proposed Generic Issue should continue to the third and final stage. The assessment stage is expected to be typically completed within 1 to 3 years.

Figure 1 shows assessment activities for a proposed Generic Issue pertaining to high energy arc faults (HEAF) in nuclear power plant electrical components that contain aluminum.<sup>3</sup> HEAF events are energetic or explosive electrical equipment faults characterized by a rapid release of energy in the form of heat, light, vaporized metal and pressure increase due to high current arcs between energized electrical conductors, or between energized electrical components and neutral or ground. HEAF events may also cause projectiles to be ejected from the electrical component or enclosure of origin and result in fire.

**Figure 1: Assessment Stage HEAF Testing**



Source: OIG observation of HEAF testing at Kema Laboratories facility in Chalfont, Pennsylvania, October 2018.

*Stage 3: Regulatory Office Implementation*

During the third and final process stage, NRC program offices such as NRR assume responsibility for planning and implementing appropriate regulatory actions to resolve Generic Issues. These actions may include information collection from licensees and requirements for nuclear power plant modifications. For example, NRR is overseeing data collection and

<sup>3</sup> PRE Generic Issue 018, High Energy Arc Faults Involving Aluminum Components.

analysis of seismic hazards at U.S. nuclear power plants (Generic Issue 199).<sup>4</sup> Nuclear power plant licensees have provided NRC updated seismic hazard risk assessments, and have been required to modify their plants for better protection against seismic hazards in cases where the assessments show greater safety risk than previously understood. The regulatory office implementation stage is expected to typically be completed in 5 to 10 years.

Proposed Generic Issues

The audit team analyzed the attributes of the six proposed Generic Issues submitted between October 2014 and January 2018. Of the six proposed Generic Issues, five have been closed because they did not meet all seven screening criteria. One proposed Generic Issue advanced from screening to the assessment stage.

**Table 1: Proposed Generic Issues**

<b>Proposed Generic Issue Number</b>	<b>Proposed Generic Issue Title</b>	<b>Submittal Date</b>	<b>Closed Date</b>	<b>Status</b>
<b>PRE Generic Issue 015</b>	Trapped Hydrogen and Oxygen Fire and Explosion During Fluid Transients	October 27, 2014	March 23, 2015	Closed
<b>PRE Generic Issue 016</b>	Turbine Control Systems Dependency on Electrical Power to Support Turbine Operation	October 29, 2014	October 16, 2015	Closed
<b>PRE Generic Issue 017</b>	Loss of Ultimate Heat Sink Due to Storm-Wave Interactions or Seiche with Low Great Lakes Water Levels	March 28, 2015	September 8, 2016	Closed
<b>PRE Generic Issue 018</b>	High Energy Arc Faults Involving Aluminum Components	May 6, 2016	Not Applicable	Assessment
<b>PRE Generic Issue 019</b>	Secondary Short Circuit Protection for Containment Penetrations	August 31, 2016	September 27, 2016	Closed
<b>PRE Generic Issue 020</b>	Inadequate Licensee Procedures for Inadvertent Emergency Core Cooling System Injection	January 3, 2018	December 6, 2018	Closed

Source: OIG analysis of proposed Generic Issues submitted to NRC between October 2014 and January 2018.

<sup>4</sup> NRR assumed responsibility for Generic Issue 199 in September 2010.

---

## II. OBJECTIVE

---

The audit objective was to determine whether NRC (1) screens and assesses potential nuclear power plant Generic Issues in a timely manner, and (2) adequately supports and documents decisions made during the process. Appendix A of this report contains information on audit scope and methodology.

---

## III. FINDINGS

---

NRC's Generic Issues Program is generally run in accordance with agency guidance. However, the program's screening stage can be strengthened through improved timeliness of initial screening and posting of documentation on the program website. Additionally, overall program management could be improved through better monitoring of labor resources used for Generic Issues.

### **A. Initial Screening Timeliness Could Be Improved**

Agency and office guidance require timely initial screening of a proposed Generic Issue. However, initial review periods varied by number of days in comparison with the program's 2-month target. Proposed Generic Issue initial screening times varied because of inconsistencies in agency guidance with respect to initial screening timeliness goals. Timely and consistent initial screening is critical to prevent unnecessary delays in identifying proposed generic safety issues that need further assessment, and terminating work that does not merit additional resources.

## ***What Is Required***

### **Management Directive 6.4, *Generic Issues Program* Requires Timely Completion of Initial Generic Issue Screening**

Management Directive 6.4, *Generic Issues Program*, requires timely completion of initial Generic Issue screening. Upon receipt of a proposed Generic Issue from the public or NRC staff, the Project Manager is required to perform a prompt initial review and concurrently forward the issue to the appropriate regulatory office to evaluate whether it presents an immediate safety concern.

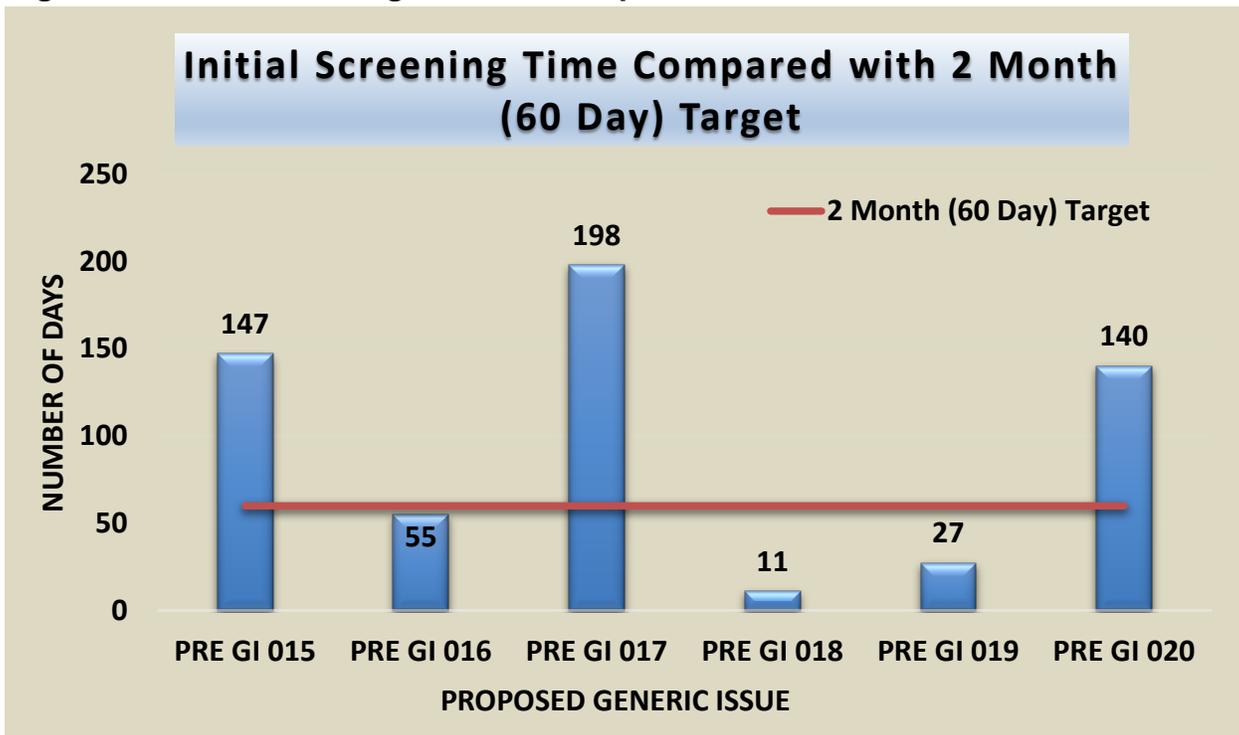
In addition, Office Instruction TEC 002, Appendix E, *Sample Templates for Acceptance Review Memoranda*, states, "It is expected that the initial screening assessment will be completed within two months."

## What We Found

### Initial Screening Times Vary

Generic Issue initial screening time varied from 11 days to as many as 198 days. As shown in Figure 2, the 2-month initial screening target was not met for three of the six proposed Generic Issues analyzed (PRE Generic Issue 015, PRE Generic Issue 017, and PRE Generic Issue 020).

Figure 2: Initial Screening Times for Proposed Generic Issues



Source: OIG analysis of proposed Generic Issues submitted to NRC between October 2014 and January 2018.

## *Why This Occurred*

### **NRC Has Inconsistent Guidance for Timeliness of Initial Screening**

The initial screening time for each proposed Generic Issue varied because of inconsistencies in internal guidance with respect to initial screening timeliness goals. Specifically, Management Directive 6.4 states that the initial screening timeline should be “prompt.” However, as noted above, Office Instruction TEC 002 prescribes a 2-month period for initial screening. This disconnect between the agency directive and office level guidance creates uncertainty regarding the timeliness standard staff should follow.<sup>5</sup>

## *Why This Is Important*

### **Timely Initial Screening Prevents Process Delays**

Timely and consistent initial screening is critical to preventing unnecessary delays in identifying proposed generic safety issues that need further assessment, and terminating work that does not merit additional resources.

### **Recommendation**

OIG recommends that the Executive Director for Operations

1. Clarify, finalize, and implement guidance for timely proposed Generic Issue initial screening.

---

<sup>5</sup> During the audit, staff told auditors that RES Office Instruction TEC 002 is undergoing revision, and that the next revision will clarify initial screening timeliness standards.

## **B. Documentation on Program Website Is Not Complete**

NRC guidance requires staff to document the progress of proposed Generic Issues and recommends posting this information on the Generic Issues Management Control System (GIMCS) website, also known as the Generic Issues Dashboard (the Dashboard). However, three of six proposed Generic Issues did not have all the appropriate documentation on the Dashboard.

This was caused by inconsistent adherence to office guidance. Lack of information available on the Dashboard could impede accurate communication and transparency of the Generic Issues process.

### ***What Is Required***

#### **Agency Guidance Specifies Documentation Requirements and Best Practices**

Management Directive 6.4 requires that staff document progression of an issue through the three Generic Issues stages. Staff must record nine screening stage memoranda, although some documentation requirements are not applicable if the proposed Generic Issue has not progressed through the entire Generic Issues process. The nine required screening stage memoranda document the following

- Receipt of proposed Generic Issue submittal.
- Immediate safety concern.
- Quick screen results.
- GIRP request.
- GIRP response.
- GIRP augmentation.
- GIRP recommendation.
- GIRP determination for proposed Generic Issues that fail screening.
- ACRS notification.<sup>6</sup>

<sup>6</sup> Staff told OIG that they often notify the ACRS of screening stage decisions through distribution of other memoranda, such as the quick screen memorandum, in lieu of submitting a separate memorandum to the Committee.

In addition, Office Instruction TEC 002, Revision 2, states, "Any time a change or transition occurs in the status of an issue, this change needs to be clearly documented and communicated to ensure no confusion exists regarding its status and ownership. Normally, these transitions are documented via memorandum." This guidance, as well as the *Generic Issues Program Enhancement Plan*, specifically recommend use of the Dashboard to capture key program documentation.

## What We Found

### Dashboard Does Not Show Complete Documentation for Proposed Generic Issues

OIG's review of the Dashboard found that the following three of six proposed Generic Issues were missing at least one required document.

- PRE Generic Issue 015, *Trapped Hydrogen and Oxygen Fire and Explosion during Fluid Transients*: Missing "Receipt to Submitter" memorandum and documentation that the ACRS was informed of the closing of PRE Generic Issue 015.
- PRE Generic Issue 016, *Turbine Control Systems Dependency on Electrical Power to Support Turbine Operation*: Missing documentation that the ACRS was informed of the closing of PRE Generic Issue 016.
- PRE Generic Issue 017, *Loss of Ultimate Heat Sink Due to Storm-Wave Interactions or Seiche with Low Great Lakes Water Levels*: Missing Immediate Safety Concern Memorandum.

## Why This Occurred

### Inconsistent Adherence to Office Guidance

Some program documentation was missing from the Dashboard due to inconsistent adherence to existing office-level guidance. Specifically, staff

did not consistently follow the standard in Office Instruction TEC 002, which recommends that milestone memoranda be documented on the Dashboard.

### ***Why This Is Important***

#### **Complete Documentation Supports Effective Stakeholder Communication and Transparency**

Maintaining complete information on the Generic Issues Program Dashboard supports stakeholder communication and program transparency. Licensees, NRC staff and managers, legislators, and members of the general public use the Dashboard to learn about proposed Generic Issues under review and Generic Issues undergoing regulatory implementation. The Dashboard serves as a central repository for information about program activities and NRC's progress toward meeting milestones. Consequently, it is incumbent upon staff to maintain complete and up-to-date programmatic documentation on the Dashboard.

#### **Recommendation**

OIG recommends that the Executive Director for Operations

2. Implement office guidance for displaying Generic Issues Program milestone documentation on the Dashboard website.

#### **C. Labor Resources for Program-Related Activities Are Not Monitored**

Government Accountability Office internal control guidance requires agencies to monitor program operations, and NRC's internal control policy aims to ensure that timely and reliable information is available for sound decision-making. However, NRC does not monitor labor resources used for proposed Generic Issue-related activities. This occurs because NRC does not comprehensively track staff time spent on work related to proposed Generic Issues. Without improved monitoring of labor resources

used for proposed Generic Issue-related activities, NRC could miss information needed for management decision-making and reporting to key stakeholders.

## ***What Is Required***

### **Requirements for Internal Controls Monitoring**

*GAO Standards for Internal Control in the Federal Government* requires internal controls with ongoing monitoring built into the entity's operations, performed continually, and responsive to change. Ongoing monitoring includes regular management and supervisory activities, comparisons, reconciliations, and other routine actions.

In addition, NRC's internal control policy aims, in part, for reasonable assurance that reliable and timely information is obtained, maintained, reported, and used for sound decision-making.<sup>7</sup> This complements other policy objectives, which include reasonable assurance that resources are used consistent with NRC's mission, and that NRC programs are achieving their intended results.

## ***What We Found***

### **Labor Resources Not Monitored**

NRC does not monitor labor resources used for proposed Generic Issues-related activities, as evidenced by the following time and labor charge anomalies.

- Not all assigned NRC staff use appropriate Generic Issue Cost Activity Codes (CAC) to record hours spent working on proposed Generic Issues. For example, two staff working primarily on PRE Generic Issue 018 (HEAF) during offsite testing charged time to the general HEAF CAC #KF0051. However, NRC staff assigned

<sup>7</sup> Management Directive 4.4, *Enterprise Risk Management and Internal Control*.

to assess this proposed Generic Issue should have charged time to CAC #KF0058, which is used to capture Generic Issue research work and not general HEAF work.

- The Generic Issues Project Manager and other NRC staff (for a total of 24 staff) charged 5668.50 hours for Generic Issues-related work from January 1, 2015, to July 31, 2018. However, during the same period, NRC staff who were not assigned to Generic Issue activities charged approximately 260 hours to two Generic Issue Program Activity CACs (#KF0058 and #A11026). Staff could not explain to OIG why this occurred.

## *Why This Occurred*

### **NRC Does Not Comprehensively Track Generic Issues Time and Labor Reporting**

Labor resources supporting proposed Generic Issues-related activities are not fully monitored because NRC lacks a standardized approach for Generic Issues time and labor reporting. Specifically, staff use different timekeeping codes to account for their work, and NRC's timekeeping system (the Human Resources Management System) does not allow Generic Issues Program staff visibility over CAC charges by staff outside the program. NRC management said that staff assigned to proposed Generic Issues charge time to CACs issued by their respective offices rather than Generic Issues Program CACs. In addition, Generic Issues Program staff do not share CACs created for Generic Issues Program activities with other NRC staff outside the program, unless these other staff specifically request the CACs.

## *Why This Is Important*

### **NRC Could Miss Information Needed for Management Decision-Making and Reporting**

Without improved monitoring of resources used for Generic Issues-related activities, NRC will be challenged to account for the level of effort associated with the Generic Issues Program. Accurate and timely resource information can help support management decisions regarding staffing and organizational structure, and is also vital for reporting to key stakeholders such as the Commission and the Congress. Given the evolving nature of the nuclear industry and corresponding changes underway at NRC, business process information such as time and labor data may be needed to evaluate the functions and structure of the Generic Issues Program in a broader agencywide context.

### **Recommendation**

OIG recommends that the Executive Director for Operations

3. Update applicable procedures to emphasize appropriate use, reporting, and monitoring of Generic Issues CACs for staff time spent on Generic Issues work.

## **IV. CONSOLIDATED LIST OF RECOMMENDATIONS**

OIG recommends that the Executive Director for Operations

1. Clarify, finalize, and implement guidance for timely proposed Generic Issue initial screening.
2. Implement office guidance for displaying Generic Issues Program milestone documentation on the Dashboard website.
3. Update applicable procedures to emphasize appropriate use, reporting, and monitoring of Generic Issues CACs for staff time spent on Generic Issues work.

---

## **V. AGENCY COMMENTS**

---

An exit conference was held with the agency on January 15, 2019. After reviewing a discussion draft, agency management provided comments that have been incorporated into this report, as appropriate. As a result, agency management stated their general agreement with the findings and recommendations in this report and opted not to provide formal comments for inclusion in this report.

---

## OBJECTIVE, SCOPE, AND METHODOLOGY

---

### Objective

The audit objective was to determine whether NRC (1) screens and assesses potential nuclear power plant Generic Issues in a timely manner, and (2) adequately supports and documents decisions made during the process.

### Scope

The audit focused on NRC's proposed Generic Issues that were active from October 2014 to January 2018 to determine whether NRC screens and assesses potential nuclear power plant Generic Issues in a timely manner, and adequately supports and documents decisions made during the process. The audit team reviewed six proposed Generic Issues. The team did not review three active Generic Issues that had entered the regulatory office implementation stage before guidance and program changes took effect in 2015.

We conducted this audit from May 2018 through November 2018 at NRC headquarters in Rockville, Maryland. Internal controls related to the audit objective were reviewed and analyzed.

### Methodology

OIG reviewed relevant criteria for this audit, including:

- *Energy Reorganization Act of 1974.*
- *Government Accountability Office, Standards for Internal Control in the Federal Government, GAO-14-704G.*
- *Management Directive 4.4, Enterprise Risk Management and Internal Control.*
- *Management Directive 6.4, Generic Issues Program.*
- *Office of Nuclear Regulatory Research (RES) Office Instruction, TEC 002, Revision 2, Procedure for Processing Generic Issues.*

- Draft, Office of Nuclear Regulatory Research (RES) Office Instruction, TEC 002, Revision 3, *Procedure for Processing Generic Issues*.

To determine whether NRC screens and assesses potential nuclear power plant Generic Issues in a timely manner, and adequately supports and documents decisions made during the process, OIG interviewed NRC management and staff from RES and NRR. OIG also analyzed data displayed on the Generic Issues Dashboard pertaining to six proposed Generic Issues, current as of January 2018. In addition, OIG analyzed time and labor data obtained from NRC's Human Resources Management System. OIG also observed an assessment stage test for one of the six proposed Generic Issues related to High Energy Arc Fault Involving Aluminum Components at Kema Laboratories in Chalfont, Pennsylvania, and reviewed contract documentation for this work.

OIG spoke with personnel at the Nuclear Energy Institute and the Union of Concerned Scientists, who provided insight on NRC's Generic Issues Program.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Throughout the audit, auditors considered the possibility of fraud, waste, and abuse in the program.

The audit was conducted by Paul Rades, Team Leader; Vicki Foster, Audit Manager; Ebaide Esoimeme, Senior Auditor; Curtis Browne, Auditor; and John Thorp, Senior Technical Advisor.

---

## TO REPORT FRAUD, WASTE, OR ABUSE

---

### Please Contact:

Email: [Online Form](#)

Telephone: 1-800-233-3497

TTY/TDD: 7-1-1, or 1-800-201-7165

Address: U.S. Nuclear Regulatory Commission  
Office of the Inspector General  
Hotline Program  
Mail Stop O5-E13  
11555 Rockville Pike  
Rockville, MD 20852

---

## COMMENTS AND SUGGESTIONS

---

If you wish to provide comments on this report, please email OIG using this [link](#).

In addition, if you have suggestions for future OIG audits, please provide them using this [link](#).