



OFFICE OF THE
INSPECTOR GENERAL

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

March 11, 2019

MEMORANDUM TO: Margaret M. Doane
Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S
PROCESS FOR MODIFYING AND COMMUNICATING
STANDARD TECHNICAL SPECIFICATIONS
(OIG-18-A-15)

REFERENCE: DEPUTY EXECUTIVE DIRECTOR FOR REACTOR AND
PREPAREDNESS PROGRAMS, OFFICE OF THE
EXECUTIVE DIRECTOR FOR OPERATIONS,
MEMORANDUM DATED JANUARY 15, 2019

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the agency's response dated January 15, 2019. Based on this response, recommendation 8 is resolved. Recommendations 1, 2, 3, 4, 5, 6, and 7 are closed. Please provide a status update for the resolved recommendation by June 14, 2019.

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
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Audit Report

AUDIT OF NRC'S PROCESS FOR MODIFYING AND COMMUNICATING STANDARD TECHNICAL SPECIFICATIONS

OIG-18-A-15

Status of Recommendations

Recommendation 1: Establish Technical Specifications Branch knowledge management requirements relative to agency and office knowledge management policy.

Agency Response Dated
January 15, 2019:

The staff agrees with the recommendation.

The staff held branch-specific training on knowledge management requirements during branch meetings in October 2018. The branch has assigned a backup project manager, who has taken on several projects as on-the-job training. Additionally, LIC-600 "Standard Technical Specifications Change traveler Review and Adoption Process", the office instruction for processing Technical Specifications Task Force (TSTF) travelers, was updated in 2018.

Target date for completion: December 31, 2018

Contact: Victor G. Cusumano, Branch Chief,
NRR/DSS/STSB (301) 415-4011

OIG Analysis: OIG verified that the Office of Nuclear Reactor Regulation Technical Specification Branch implemented branch succession planning in accordance with office and agencywide knowledge management policies. This recommendation is closed.

Status: Closed.

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Status of Recommendations

Recommendation 2: Implement Technical Specifications Branch knowledge management procedures.

Agency Response Dated
January 15, 2019:

The staff agrees with the recommendation.

The branch-specific training plan was fully implemented in April 2018, and the Technical Specifications Branch staff received training during branch meetings in October 2018 to ensure staff members at all levels understand their role in knowledge management.

Target date for completion: December 31, 2018

Contact: Victor G. Cusumano, Branch Chief,
NRR/DSS/STSB (301) 415-4011

OIG Analysis:

OIG verified that the Technical Specification Branch staff have fully implemented their branch specific training plan and staff have received training regarding their respective roles in knowledge management. This recommendation is closed.

Status:

Closed.

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Status of Recommendations

Recommendation 3: Finalize and implement the revised LIC-600.

Agency Response Dated
January 15, 2019:

The staff agrees with the recommendation.

The NRC issued LIC-600, "Standard Technical Specifications Change Traveler Review and Adoption Process," on July 20, 2018.

Target date for completion: July 31, 2018

Contact: Victor G. Cusumano, Branch Chief,
NRR/DSS/STSB (301) 415-4011

OIG Analysis:

OIG verified that the Office of Nuclear Reactor Regulation has issued and begun implementing LIC-600. This recommendation is closed.

Status:

Closed.

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Status of Recommendations

Recommendation 4: Complete corrective action on open Master Data Management (MDM) Executive Steering Committee identified items that affect the Traveler modification process.

Agency Response Dated
January 15, 2019:

The staff agrees with the recommendation.

The staff deployed the Cost Activity Code System (CACS)-Replacement Reactor Program System (RRPS) labor hour feeds on July 30, 2018.

Target Date for Completion: Second quarter FY 2019

Contact: Melissa S. Ash, Program Manager, OCIO/GEMS
(301) 415-7251

OIG Analysis: OIG verified that the agency completed corrective actions identified by the Master Data Management Executive Steering Committee that directly affected the Traveler modification process. This recommendation is closed.

Status: Closed.

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Status of Recommendations

Recommendation 5: Identify and communicate Technical Specifications Branch Traveler modification process user needs.

Agency Response Dated
January 15, 2019:

The staff agrees with the recommendation.

The staff developed the system requirements for the RRPS modification process. The Technical Specifications Branch project manager worked with the staff in the Special Projects and Process Branch of the Division of Operating Reactor Licensing (DORL) in NRR to develop and implement new templates in RRPS for traveler reviews. These new templates accurately reflect the milestones used in traveler review process.

Target date for completion: August 3, 2018

Contact: Victor G. Cusumano, Branch Chief,
NRR/DSS/STSB (301) 415-4011

OIG Analysis: OIG verified that staff identified, communicated, and developed system requirements for the Technical Specifications Branch Traveler modification process in RRPS. This recommendation is closed.

Status: Closed.

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Status of Recommendations

Recommendation 6: Incorporate Technical Specifications Branch Traveler modification process user needs and terminology into work planning and relevant systems.

Agency Response Dated
January 15, 2019:

The staff agrees with the recommendation.

The staff implemented the new system requirements developed to support the user needs related to the Technical Specifications Branch traveler modification process in the RRPS Licensing Module.

Target date for completion: November 30, 2018

Contact: Samson S. Lee, Senior Project Manager,
NRR/DORL/LPL1 (301) 415-3168

OIG Analysis: OIG verified the Technical Specifications Branch Traveler modification process user needs have been incorporated into the RRPS-Licensing Module. This recommendation is closed.

Status: Closed

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Status of Recommendations

Recommendation 7: Complete implementation of quality assurance measures to address oversight of Cost Activity Code use.

Agency Response Dated
January 15, 2019:

The staff agrees with the recommendation. Corrective actions have been completed.

Staff closed in Previous Reporting Period

Corrective actions complete as of May 31, 2018

Contact: Carl A. Fredericks, Branch Chief,
OCFO/DOC/ARB (301) 415-6285

OIG Analysis:

OIG verified that staff completed implementation of quality assurance measures to address oversight of Cost Activity Code use in a prior audit follow up dated August 27, 2018. This recommendation is closed.

Status:

Closed.

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Status of Recommendations

Recommendation 8: Implement quality assurance measures to address billing verification oversight.

Agency Response Dated
January 19, 2019:

The staff agrees with the recommendation.

A new Cost Activity Code (CAC) / Docket / Enterprise Project Identifier (EPID) coding structure for fee billable work and the new CACS for managing the CAC codes and staff assignments was implemented in FY2018. The Office of the Chief Financial Officer (OCFO) has undertaken a project to improve the fees validation process. The objective is to implement a clearly defined validation process that is effective and efficient for all staff and management to follow. The validation process provides improved accountability and control over the data, provides a complete and timely validation and certification of all Part 170 hours and contract costs, and results in improved billing accuracy. The OCFO, Accounts Receivable Branch (ARB), is leading this effort with participation from program and regional office staff.

A key component of the fees standardization validation process is the identification of the EPID contact and the EPID contact supervisor who will be responsible for ensuring the accuracy of all labor and contract costs recorded to an EPID for a given docket or licensee:

1. The OCFO is currently modifying the CACS to allow for the functions of creating and managing EPIDs. Like the previous approach to cost activity codes, the CACS will become the single authoritative source for managing EPIDs. As the management of EPIDs transitions to the CACS from the Enterprise Data Management System, the OCFO will establish controls over EPID setup to

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Status of Recommendations

Recommendation 8: (cont.)

ensure the accuracy of the EPID contact and EPID contact supervisor.

2. The Office of Nuclear Reactor Regulation is modifying the Reactor Program System (RPS) to include the EPID contact and EPID contact supervisor as required fields when creating inspection and licensing EPIDs for interfacing into the CACS and the Human Resource Management System for labor reporting.
3. Once the CACS and RPS have been modified and controls are in place for managing EPIDs, Accounts Receivable Branch staff will work with the program and regional office staff to finalize the new fees standardization validation process and provide training on the new process.

Completion Date: July 30, 2020

Contact: Jawanza Gibbs-Nicholson, Financial Management Specialist, OCFO
(301) 415-5245

OIG Analysis:

The proposed actions meet the intent of this recommendation. OIG will close this recommendation after verifying agency identified quality assurance measuring including implementation of new EPID management controls and training of cognizant program and regional staff on use of these controls. This recommendation is resolved.

Status:

Resolved.