



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

July 15, 2019

MEMORANDUM TO: Dr. Brett M. Baker  
Assistant Inspector General for Audits  
Office of the Inspector General

FROM: Ho K. Nieh, Director **/RA/**  
Office of Nuclear Reactor Regulation

SUBJECT: STATUS OF RECOMMENDATIONS FOR THE AUDIT OF THE  
U.S. NUCLEAR REGULATORY COMMISSION'S PROCESS FOR  
MODIFYING AND COMMUNICATING STANDARD TECHNICAL  
SPECIFICATIONS (OIG-18-A-15)

The purpose of this memorandum is to provide the Office of the Inspector General (OIG) with a status update on the eight recommendations in OIG-18-A-15, "Audit of NRC's Process for Modifying and Communicating *Standard Technical Specifications*," dated June 18, 2018 (Agencywide Documents Access and Management System Accession No. ML18169A142). Thank you for the recommendations in OIG-18-A-15, "Audit of NRC's Process for Modifying and Communicating *Standard Technical Specifications*." The staff has completed all actions associated with the eight recommendations.

Enclosure:  
Staff Response

cc: Chairman Svinicki  
Commissioner Baran  
Commissioner Caputo  
Commissioner Wright  
SECY

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SUBJECT: STATUS OF RECOMMENDATIONS FOR THE AUDIT OF THE U.S. NUCLEAR REGULATORY COMMISSION'S PROCESS FOR MODIFYING AND COMMUNICATING STANDARD TECHNICAL SPECIFICATIONS (OIG-18-A-15)  
 DATED: July 15, 2019

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<b>DATE</b>	5/21/2019	5/23/2019	7/11/2019	7/15/2019

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**STAFF RESPONSE TO THE OFFICE OF THE INSPECTOR GENERAL'S AUDIT  
OF THE U.S. NUCLEAR REGULATORY COMMISSION'S PROCESS FOR MODIFYING AND  
COMMUNICATING STANDARD TECHNICAL SPECIFICATIONS  
OIG-18-A-15**

In OIG-18-A-15, "Audit of NRC's Process for Modifying and Communicating *Standard Technical Specifications*," the Office of the Inspector General (OIG) provided eight recommendations to the U.S. Nuclear Regulatory Commission (NRC) staff to strengthen Technical Specifications Branch knowledge management practices and enhance quality assurance measures for program data. The staff completed Recommendations 1 through 7 in previous reporting periods. This response includes an update on the status of OIG Recommendation 8.

**Recommendation 8 (Complete):**

Implement quality assurance measures to address billing verification and oversight.

NRC Staff Response and Status Update:

The staff agrees with the recommendation. Corrective actions are complete.

In fiscal year 2018, the NRC implemented a new Cost Activity Code (CAC)/Docket/Enterprise Project Identifier (EPID) coding structure for fee-billable work and the new Cost Activity Code System (CACS) for managing the CAC codes and staff assignments. 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; allows for a complete and timely validation and certification of all hours and contract costs under Title 10 of the *Code of Federal Regulations* (10 CFR) Part 170, "Fees for Facilities, Materials, Import and Export Licenses, and Other Regulatory Services under the Atomic Energy Act of 1954, as Amended"; and results in improved billing accuracy. The OCFO Accounts Receivable Branch is leading this effort, with participation from program and regional office staff.

A key component of the standardized fees 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. To that end, the NRC has taken the following actions:

- OCFO has modified the CACS to allow for the functions of creating and managing EPIDs. Like the previous approach to CACs, the CACS has become the single authoritative source for managing EPIDs. OCFO has established various controls over EPID setup to ensure accurate identification of the EPID contact and EPID contact supervisor now that the management of EPIDs has been migrated to CACS from the Enterprise Data Management System.
- The Office of Nuclear Reactor Regulation (NRR) has modified 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.

- The OCFO Labor Administration Fee Billing Branch has completed training the program and regional office staff on the new standardized process.

Completion date: June 27, 2019

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