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

OFFICE OF THE
INSPECTOR GENERAL

November 27, 2019

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 07, 2019

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 07, 2019. Based on this response, recommendation 1 remains open and resolved. Please provide a status update on the resolved recommendation by June 15, 2020.

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

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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 07, 2019: The staff agrees with the OIG recommendation.

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

Specifically, MD 8.12 was revised to address OIG's recommendation from OIG Audit, OIG-18-A-09, and to also reflect organizational changes from the recent establishment of the Center of Expertise in NMSS for financial assessment.

This memo closes out the NMSS action regarding OIG audit, OIG-18-A-09.

Recommendation 1 (cont.):

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. OIG will close this recommendation after the revised Management Directive 8.12 is approved and implemented. Additionally, OIG will review the updated guidance and determine that it reflects current practices as outlined in recommendation 1.

Status: Open: Resolved.