



OFFICE OF THE
INSPECTOR GENERAL

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

September 21, 2021

MEMORANDUM TO: Margaret M. Doane
Executive Director for Operations

FROM: Eric Rivera */RA/*
Acting Assistant Inspector General for Audit

SUBJECT: AUDIT OF THE U.S. NUCLEAR REGULATORY
COMMISSION'S OVERSIGHT OF THE ADEQUACY OF
DECOMMISSIONING TRUST FUNDS
(OIG-21-A-14)

REFERENCE: DEPUTY EXECUTIVE DIRECTOR FOR MATERIALS,
WASTE, RESEARCH, STATE, TRIBAL, COMPLIANCE,
ADMINISTRATION, AND HUMAN CAPITAL PROGRAMS,
MEMORANDUM DATED SEPTEMBER 14, 2021

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the agency's response dated September 14, 2021. Based on this response, recommendations one, two, three, and four remain open and resolved. Please provide a status update for the open and resolved recommendation by **February 28, 2022**.

If you have questions or concerns, please call me at (301) 415-7032 or Paul Rades, Team Leader, at (301) 415-6228.

Attachment: As stated

cc: C. Haney, OEDO
J. Jolicoeur, OEDO
S. Mroz, OEDO
S. Miotla, OEDO
RidsEdoMailCenter Resource
OIG Liaison Resource
EDO_ACS Distribution

Audit Report
AUDIT OF THE NRC'S PANDEMIC OVERSIGHT
OF NUCLEAR POWER PLANTS
(OIG-21-A-14)

Status of Recommendations

Recommendation 1: Improve process controls to ensure all annual reviews of decommissioning status reports are complete and have undergone the review process.

Agency Response Dated
September 14, 2021:

Staff will develop and implement improved process controls to ensure that annual reviews of DFS reports are completed in a timely manner and have undergone the proper review process.

The staff intends to improve the tracking of DFS reports reviews under the actions for Recommendation 3. To further enhance the quality and consistency of DFS report reviews, staff will develop a training program for Financial Assurance Branch (FAB) analysts detailing the roles, responsibilities, and review processes related to the DFS report review program for both operating reactors and reactors in decommissioning. A qualified lead analyst will provide training to all analysts involved with DFS report reviews. The training will occur annually, prior to each review cycle, and will be documented by the lead analyst in accordance with LIC-205. The purpose of the training will be to ensure that analysts complete the DFS report reviews in accordance with applicable the U.S. Nuclear Regulatory Commission (NRC) guidance.

Staff will complete this action by January 28, 2022.

Point of contact: Shawn Harwell, Office of Nuclear Material Safety and Safeguards (NMSS).

OIG Analysis:

The proposed actions meet the intent of this recommendation. The OIG will close this recommendation upon reviewing the implemented process controls for the annual reviews of decommissioning status reports and the training program for the Financial Assurance Branch analysts. This recommendation remains open and resolved.

Status:

Open: Resolved.

Audit Report
AUDIT OF THE NRC'S PANDEMIC OVERSIGHT
OF NUCLEAR POWER PLANTS
(OIG-21-A-14)

Status of Recommendations

Recommendation 2: Update LIC-205 to clarify DFS report reviewer roles and responsibilities, procedures for closeout letters, and procedures for tracking DFS report analyses.

Agency Response Dated
September 14, 2021: Staff will update LIC-205 to clarify issues as described in the recommendation.

The staff intends to address several process improvements with this LIC-205 update. Specifically, the staff will provide further detail on the roles and responsibilities of each position involved with the DFS report review process to ensure that all involved personnel are trained and that the training is documented per LIC-205 for the procedures involved. Additionally, the staff will develop detailed procedures for drafting and issuing closeout letters to licensees at the conclusion of the review cycle. Finally, the staff will revise procedures for cataloging and tracking documentation related to individual licensees DFS report submittals and reviews for each DFS report review cycle.

Staff will complete this action by January 28, 2022.

Point of Contact: Shawn Harwell, NMSS.

OIG Analysis: The proposed actions meet the intent of this recommendation. The OIG will close this recommendation upon reviewing the updates to LIC-205, clarifying DFS report reviewer roles and responsibilities, procedures for closeout letters, and tracking DFS report analyses. This recommendation remains open and resolved.

Status: Open: Resolved.

Audit Report
AUDIT OF THE NRC'S PANDEMIC OVERSIGHT
OF NUCLEAR POWER PLANTS
(OIG-21-A-14)

Status of Recommendations

Recommendation 3: Implement a central tracking mechanism to track the status of the annual DFS report analyses.

Agency Response Dated
September 14, 2021:

Staff will develop and implement a tracking system to track the status of the annual DFS report analyses.

The staff will update information technology assets related to DFS report review tracking located on the FAB SharePoint site. The staff will ensure that fields are available to track designated analysts, supporting documents, staff-generated documents, and review status for individual licensees for each DFS report review cycle. Additionally, the staff will revise applicable guidance and training to ensure that access to the SharePoint page and DFS report review data sheets will be available to appropriate internal stakeholders in a "read-only" format and that appropriate controls will be in place (e.g., password protection, designated user rights, etc.) to ensure data quality and integrity. Finally, the staff will update applicable NRC guidance to ensure that the assigned analysts update the SharePoint page as necessary to maintain the page up to date. The staff will also update LIC-205 to address the process for DFS report review status tracking.

Staff will complete this action by January 28, 2022.

Point of Contact: Shawn Harwell, NMSS.

OIG Analysis:

The proposed actions meet the intent of this recommendation. The OIG will close this recommendation upon reviewing the tracking system on the FAB SharePoint site to track the status of annual DFS report analyses. This recommendation remains open and resolved.

Status:

Open: Resolved.

Audit Report
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OF NUCLEAR POWER PLANTS
(OIG-21-A-14)

Status of Recommendations

Recommendation 4: Periodically assess, through communication with cognizant regulators or by other means, trustee compliance with the master trust fund agreements in accordance with investment restrictions in Title 10 *Code of Federal Regulations 50.75*.

Agency Response Dated
September 14, 2021:

The staff will engage the cognizant regulators to evaluate options for ensuring periodic assessment of trustee compliance with the master trust fund restrictions in the regulations. The staff will then put in place appropriate protocols and procedures for implementation.

Staff will complete this action by July 31, 2023.

Point of Contact: Richard Turtill, NMSS.

OIG Analysis:

The proposed actions meet the intent of this recommendation. The OIG will close this recommendation upon reviewing the options for ensuring periodic assessment of trustee compliance with the master trust fund restrictions in the regulations, as well as the protocols and procedures for implementation. This recommendation remains open and resolved.

Status:

Open: Resolved.