



MEMORANDUM

DATE: September 27, 2022

TO: Daniel H. Dorman
Executive Director for Operations

Marian L. Zobler
General Counsel

FROM: Hruta Virkar */RA/*
Assistant Inspector General for Audits

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF THE NRC'S
PROHIBITED SECURITY OWNERSHIP PROCESS
(OIG-21-A-17)

REFERENCE: EXECUTIVE DIRECTOR FOR OPERATIONS AND
GENERAL COUNSEL, MEMORANDUM DATED
SEPTEMBER 8, 2022

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the agency's response dated September 8, 2022. Based on this response, recommendation 6 from this report is now closed. Recommendation 4 remains open and resolved. Please provide an updated status of the open and resolved recommendation by October 14, 2022.

If you have any questions or concerns, please call me at (301) 415-3485 or Paul Rades, Acting Corporate Support Audits Team Leader, at (301) 415-6228.

Attachment: As stated

cc: M. Bailey, OEDO
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Audit Report

AUDIT OF THE NRC'S PROHIBITED SECURITY OWNERSHIP PROCESS

OIG-21-A-17

Status of Recommendations

Recommendation 4: Revise MD 7.7, Security Ownership, to include roles and responsibilities clarifications, and remove inconsistencies and outdated information.

Agency Response
Dated September 8, 2022: OGC drafted an update to MD 7.7 to include clarifications to roles and responsibilities and to remove inconsistencies and outdated information. OGC shared the revised MD with partner offices for review and comment. OGC has reviewed and addressed the comments received during the interoffice comment period. The MD is currently in the fourth and final phase of the publication process with the Office of Administration.

Target Completion Date: September 30, 2022.

Points of Contact: Tison Campbell, OGC
Meghan Creedon, OGC

OIG Analysis: The proposed actions meet the intent of the recommendation. The OIG will close this recommendation when the OIG reviews the updated MD 7.7, Security Ownership, and verifies the clarification of roles and responsibilities, and also verifies the removal of inconsistencies and outdated information. Therefore, this recommendation remains open and resolved.

Status: Open: Resolved.

Audit Report

AUDIT OF THE NRC'S PROHIBITED SECURITY OWNERSHIP PROCESS

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Status of Recommendations

Recommendation 6:

Require all NRC employees to complete annual training on the prohibited securities process, including waiver and extension requests, and require covered employees to sign annual security ownership certification forms.

Agency Response
Dated May 27, 2022:

OGC has developed an annual training module for all NRC employees on the Prohibited Securities Rule (including waivers and extension). This new training module explains what the NRC's Prohibited Securities Rule is and includes additional information such as (1) who is subject to the NRC's Prohibited Securities Rule, (2) what entities are on the NRC's Prohibited Securities list, (3) where to find the current Prohibited Securities list and the list of positions subject to the Prohibited Securities Rule, and (4) what to do if you obtain a prohibited security. The training module includes 5 questions, with the first question being an attestation that the employee understands that in their current position, they are either covered or not covered under the Prohibited Securities Rule, and that if they are covered, they understand their obligations under the Prohibited Securities Rule, including the obligation to review annual updates issued by the NRC. The training further requires employees to open documents containing the Prohibited Securities list and the list of positions subject to the Prohibited Securities Rule.

The Prohibited Securities training was approved by the Human Capital Council (HCC) and assigned to NRC employees on August 16, 2022. All employees are required to complete the training by December 16, 2022.

Point of Contact: Tison Campbell, OGC
Meghan Creedon, OGC

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Status of Recommendations

Recommendation 6 (cont.):

OIG Analysis:

The OIG reviewed and verified that the prohibited securities annual training content and internal office instruction contains processes to ensure that the NRC's records keeping system, Ethics Gateway, contains accurate covered employee profile information. Therefore, this recommendation is now closed.

Status:

Closed.