



OFFICE OF THE
INSPECTOR GENERAL

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

December 1, 2016

MEMORANDUM TO: Victor M. McCree
Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S
SIGNIFICANCE DETERMINATION PROCESS FOR
REACTOR SAFETY (OIG-16-A-21)

REFERENCE: DEPUTY EXECUTIVE DIRECTOR FOR REACTOR AND
PREPAREDNESS PROGRAMS MEMORANDUM DATED
OCTOBER 26, 2016

Attached is the Office of the Inspector General's analysis and status of recommendations as discussed in the agency's response dated October 26, 2016. Based on this response, recommendations 1, 2, 3 and 4 are resolved. Please provide a status update on these recommendations by July 28, 2017.

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
H. Rasouli, OEDO
J. Jolicouer, OEDO
J. Bowen, OEDO
EDO_ACS Distribution Resource

Audit Report

AUDIT OF NRC'S Significance Determination Process for Reactor Safety

OIG-16-A-21

Status of Recommendations

Recommendation 1: Assess SDP workflow, and establish, communicate, and document clear and consistent expectations for staff and managers to complete their roles in the SDP.

Agency Response Dated
October 26, 2016:

Response

The staff agrees with the recommendation.

Over the past 2 years, the staff has undertaken an extensive effort to improve the efficiency and effectiveness of the SDP based on internal assessment activities and as directed by the Commission. As a result, the staff has developed proposed changes to the SDP to improve management oversight and project planning of inspection findings preliminarily determined to be of greater than very low safety significance (i.e., greater than Green). These proposed changes are part of an initiative known as Inspection Finding Resolution Management (IFRM). The staff believes that the actions dictated by the IFRM initiative meet the intent of the recommendation. Moreover, due to the oftentimes complex and variable nature of greater than Green inspection findings the staff believes that flexibility is needed in setting clear and consistent expectations for staff and managers as they complete their roles in the SDP.

Planned actions

The staff will issue inspection oversight program documents for trial use that are geared to improve the discipline and accountability of deciding on the time and resources used to assess inspection findings and their safety significance. These documents, with an emphasis on the Inspection Finding Review Board (IFRB), will be used to establish, communicate, and document clear and consistent expectations for all staff and managers involved with resolving potentially greater than Green inspection findings. More specifically, the IFRB is a regional activity

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Status of Recommendations

Recommendation 1 (cont.):

comprising all relevant staff and led by a director-level Chairman. Assembling the IFRB is done early in the process to ensure managers and staff have a common understanding of the scope, schedule, and resources needed to prepare for the Significance and Enforcement Review Panel (SERP). The SERP is responsible for both the preliminary and final decisions regarding significance determinations of greater than Green findings and enforcement issues.

The trial period for IFRM will begin in the autumn of 2016 and will involve greater than Green inspection findings identified across all regions for the initiating events, mitigating systems, and barrier integrity cornerstones. After the trial period ends, the staff will evaluate the effectiveness of the procedures to identify any needed changes based on lessons learned. The trial period will end no later than December 2017, followed by an assessment period to address the lessons learned. The staff will document the results of the trial period and make the necessary program changes.

Target date for completion: August 2018

Contact: Nathan T. Sanfilippo, Branch Chief, NRR/DIRS
301-415-8744

OIG Analysis:

The proposed actions meet the intent of this recommendation. OIG will close this recommendation after reviewing appropriate documentation, and other information as needed, to verify that staff have undertaken these actions as described.

Status:

Resolved.

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Status of Recommendations

Recommendation 2: Clarify IMC 0612 Appendix B issue screening questions, so that they are readily understood and easily applied.

Agency Response Dated
October 26, 2016:

Response/Planned Actions

The staff agrees with the recommendation.

The staff is evaluating revision to IMC 0612 Appendix E, "More than Minor Screening Examples," in the short term, to add an example to illustrate how to apply the more than minor screening. The staff is considering accompanying the example with added clarification to the terms used in the more than minor questions to promote predictability, staff understanding, and ease of application. The staff plans to complete this evaluation by July 2017 and will make necessary changes.

Contact: Christopher M. Regan, Branch Chief, NRR/DIRS
301-415-2768

OIG Analysis: The proposed actions meet the intent of this recommendation, insofar as guidance for better understanding and applying IMC 0612 Appendix B issue screening questions can be incorporated into the revision of IMC 0612 Appendix E. OIG will close this recommendation after reviewing the staff evaluation discussed above, and validating the evaluation's results and application to forthcoming guidance.

Status: Resolved.

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Status of Recommendations

Recommendation 3: Implement controls to ensure independent audits of greater than Green inspection findings are performed.

Agency response dated
October 26, 2016:

Response

The staff agrees with the recommendation.

Inspection Manual Chapter 0307 Appendix A, "Reactor Oversight Process Self-Assessment Metrics," requires independent audits of greater than Green inspection findings to be performed to ensure significance determination results are predictable and repeatable. Specifically, Metric R-2, "Predictability and Repeatability of Significance Determination Results," states that greater than Green inspection findings and the associated degraded conditions contain adequate detail to enable an independent auditor to trace through the available documentation and conclude that the significance characterization is reasonably justifiable from both programmatic and technical positions. Although this audit has been performed in accordance with this metric, and the metric has been met for many years, the staff has not implemented formal controls to ensure that the audit is properly documented with supporting information to justify the staff's conclusion that the metric was met.

Planned actions

To ensure consistent, repeatable, and dependable audit results going forward, the staff plans to enhance IMC 0307 Appendix A and/or IMC 0307, "Reactor Oversight Process Self-Assessment Program," to specify the requirement to perform and document the evaluation for this and other metrics. For the calendar year (CY) 2016 evaluation of the R-2 metric, the staff will develop instructions to ensure that the independent auditor performs and documents the audit of greater than Green inspection findings. In addition, the staff plans to develop a detailed job guide that includes

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Status of Recommendations

Recommendation 3 (cont.):

instruction for how to perform and document the evaluation for all of the metrics. The revision to IMC 0307, Appendix A, and the job guide will be developed as the staff performs its CY 2016 ROP self-assessment in early 2017 and will be implemented when the staff performs its CY 2017 ROP self-assessment.

Target date for completion: June 30, 2017

Contact: Nathan T. Sanfilippo, Branch Chief, NRR/DIRS
301-415-8744

OIG Analysis:

The proposed actions meet the intent of this recommendation. OIG will close this recommendation after reviewing appropriate documentation, and other information as needed, to verify that staff have undertaken these actions as described.

Status:

Resolved.

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Status of Recommendations

Recommendation 4: Document independent audits of greater than Green inspection findings.

Response/Planned actions

The staff agrees with the recommendation.

Although the metric evaluations have been performed and documented annually, adequate supporting documentation has not been maintained. As noted above, the staff plans to enhance IMC 0307 to specify the requirement to perform and document the evaluation for this and other metrics.

Target date for completion: June 30, 2017

Contact: Nathan T. Sanfilippo, Branch Chief, NRR/DIRS
301-415-8744

OIG Analysis: The proposed actions meet the intent of this recommendation. OIG will close this recommendation after reviewing appropriate documentation, and other information as needed, to verify that staff have undertaken these actions as described.

Status: Resolved.