



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

**OFFICE OF THE
INSPECTOR GENERAL**

October 10, 2017

MEMORANDUM TO: Victor M. McCree
Executive Director for Operations

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

SUBJECT: AUDIT OF NRC'S MANAGEMENT OF THE BASELINE
SECURITY INSPECTION PROGRAM (OIG-12-A-10)

REFERENCE: DIRECTOR, OFFICE OF NUCLEAR SECURITY AND
INCIDENT RESPONSE, MEMORANDUM DATED
SEPTEMBER 19, 2017

Attached is the Office of the Inspector General's (OIG) analysis and status of the recommendations as discussed in the agency's response dated September 19, 2017. Based on this response, recommendations 1 and 3 are closed. Recommendation 2 remains in resolved status. Recommendations 4 and 5 were closed previously. Please provide an updated status of the resolved recommendations by January 31, 2018.

If you have any questions or concerns, please call me at (301) 415-5915 or Beth Serepca, Team Leader, at (301) 415-5911.

Attachment: As stated

cc: R. Lewis, OEDO
H. Rasouli, OEDO
J. Jolicoeur, OEDO
J. Bowen, OEDO
EDO_ACS_Distribution

Audit Report

AUDIT OF NRC'S MANAGEMENT OF THE BASELINE SECURITY INSPECTION PROGRAM

OIG-12-A-10

Status of Recommendations

Recommendation 1: Develop and maintain a centralized database of security findings data to be used for evaluating licensee performance trends, and communicating this information to NRC staff, industry, and appropriate public stakeholders.

Agency Response Dated
September 19, 2017:

In response to Recommendation 1 from the Office of the Inspector General's (OIG's) audit of the NRC's Management of the Baseline Security Inspection Program (OIG-12-A-10), the Office of Nuclear Security and Incident Response (NSIR) and the Office of Nuclear Reactor Regulation (NRR), will continue to meet to ensure that NSIR requirements are accounted for as part of the Replacement Reactor Program System (RRPS). RRPS is now developed and in testing phase and will be implemented with a targeted completion date for full implementation in October 2017.

OIG Analysis:

OIG spoke with the point of contact for RRPS and determined that a centralized database of security findings is part of the new RRPS and that it is operational. RRPS will be able to be used for evaluating licensee performance trends, and communicating this information to NRC staff, industry, and appropriate public stakeholders. This recommendation is therefore considered closed.

Status:

Closed.

Audit Report

AUDIT OF NRC'S MANAGEMENT OF THE BASELINE SECURITY INSPECTION PROGRAM

OIG-12-A-10

Status of Recommendations

Recommendation 2: Formalize and implement a process for maintaining current and accurate data within a centralized database.

Agency Response Dated
September 19, 2017:

In response to resolved Recommendation 2 from the OIG's audit of the NRC's Management of the Baseline Security Program (OIG-12-A-10), NSIR will develop an office procedure to ensure that data from the security inspection reports are archived in a centralized database. NSIR expects to have an office procedure in place for tracking and trending security findings following the full implementation of the RRPS in October 2017. From October 2017 through January 2018, NSIR will utilize RRPS to inform the development of a procedure and solidify data from RRPS for tracking and trending.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. OIG will close this recommendation after OIG staff has reviewed NSIR's new office procedure for maintaining current and accurate security findings data in a centralized database and has verified implementation of this new guidance.

Status: Resolved.

Audit Report

AUDIT OF NRC'S MANAGEMENT OF THE BASELINE SECURITY INSPECTION PROGRAM

OIG-12-A-10

Status of Recommendations

Recommendation 3: Formalize and implement a process for ensuring Safeguards Information (SGI) findings data is current and accessible for use in trending security findings issues.

Agency Response Dated
September 19, 2017:

In response to resolved Recommendation 3 from the OIG's audit of the NRC's Management of the Baseline Security Inspection Program (OIG-12-A-10), NSIR, remaining consistent with Recommendation 1 status, is pursuing an RRPS solution. Inspection reports containing SGI will continue to be stored in the Safeguards Local Area Network Electronic Safe (SLES). RRPS will reference the inspection report document SLES tracking number. This solution further leverages NRC's investment in the RRPS at no additional cost to the agency, since tracking and trending functions can be performed within the RRPS. The targeted completion date for full implementation of Recommendation 3 will be October 2017.

OIG Analysis:

OIG spoke with the point of contract for RRPS and determined that there is a formalized process for ensuring that the Safeguards information is accessible for use in trending security finding issues. This recommendation is therefore considered closed.

Status:

Closed.