



OFFICE OF THE  
INSPECTOR GENERAL

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

March 1, 2018

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  
JANUARY 31, 2018

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the agency's response dated January 31, 2018. Based on this response, recommendation 3 is now closed, while recommendations 1, 2, and 4 are resolved. Please provide a status update for these recommendations by September 14, 2018.

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  
January 31, 2018:

Update

The Inspection Finding Resolution Management (IFRM) trial period began on November 16, 2016, and was completed on December 31, 2017. To support implementation of the IFRM process, several Inspection Manual Chapters (IMC) were issued, including: IMC 0609TP, "Significance Determination Process" IMC 0609, Attachment 1TP, "Significance and Enforcement Review Panel (SERP)" IMC 0609, Attachment 5TP, "Inspection Finding Review Board." Since the IFRM trial period began, every regional office has had the opportunity to use the above IMCs to assess the SDP workflow, and establish, communicate, and document clear and consistent expectations for staff and managers to complete their roles in the SDP for inspection findings of potentially greater-than-Green significance.

To assess the effectiveness of the IFRM initiative, a team was established with representatives from each regional office, the Office of Nuclear Reactor Regulation, and other internal stakeholders. In addition, the IFRM process was discussed with external stakeholders during periodic Reactor Oversight Process (ROP) public meetings. The team met on a quarterly basis to provide feedback on the progress being made and to identify areas for improvement. Now that the trial period has ended, an effectiveness review is being conducted, which will include recommendations for permanent changes to the program.

Once completed, the results of the effectiveness review will be provided to the Office of the Inspector General (OIG).

Target date for completion: August 31, 2018  
Contact: Alexander Garmoe, NRR/DIRS  
(301) 415-3814

## Audit Report

### AUDIT OF NRC'S Significance Determination Process for Reactor Safety

OIG-16-A-21

#### Status of Recommendations

Recommendation 1 (cont.):

OIG Analysis:

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

**Status:**

Resolved.

## Audit Report

### AUDIT OF NRC'S Significance Determination Process for Reactor Safety

#### OIG-16-A-21

#### 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  
January 31, 2018:

Update

In response to this recommendation, the staff developed draft guidance to add an example to the existing more-than-minor guidance to better illustrate how to apply the screening questions. In the draft guidance, the staff included clarification of the terms used in the screening questions to promote predictability, staff understanding, and ease of application.

The staff used the draft example and amplifying guidance to assess 60 Green findings (15 for each region) to see if it improved consistency in answering the screening questions and improved the disparity in the number of Green findings for each region. The staff ultimately determined that use of the example and clarifying guidance would not have decreased the disparity in the number of Green findings between each region. As such, the staff is assessing other options for addressing this recommendation. Options under consideration include further development of the draft example and amplifying guidance; evaluation of the adequacy of the existing minor examples in IMC 0612, Appendix E; and establishment of more close alignment between the examples and the screening questions. The staff will also consider other proposed solutions based on feedback provided by regional stakeholders. For example, the staff will assess the benefit of using cross-regional panels to review inspections findings in areas where regional differences have been identified previously.

On January 8, 2018, the NRC staff briefed OIG staff on its plans for completing work on this recommendation. The NRC staff will keep OIG informed as it makes progress in addressing this recommendation.

## Audit Report

### AUDIT OF NRC'S Significance Determination Process for Reactor Safety

OIG-16-A-21

#### Status of Recommendations

Recommendation 2 (Cont.):

Target date for completion: January 1, 2019  
Contact: Lauren R. Casey, NRR/DIRS  
(301) 415-1038

OIG Analysis: The proposed actions meet the intent of this recommendation. OIG will close the recommendation after reviewing results of the staff's initiative, and verifying that resultant process and inspection guidance changes support improved inspection issue screening.

**Status:** Resolved.

## Audit Report

### AUDIT OF NRC'S Significance Determination Process for Reactor Safety

OIG-16-A-21

#### Status of Recommendations

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

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

Agency Response Dated  
January 31, 2018:

Update

Independent audits of greater-than-Green inspection findings are performed annually in accordance with Metric R-2, "Predictability and Repeatability of Significance Determination Results," of IMC 0307, Appendix A, "Reactor Oversight Process Self-Assessment Metrics." Metric R-2 and the other ROP self-assessment metrics are reported annually and are referenced in the ROP self-assessment SECY paper. To ensure that audits of greater-than-Green inspection findings are properly documented with supporting information to justify the staff's conclusion, the staff has created and issued a job guide detailing how to perform the annual metric report. The staff also revised Appendix A to IMC 0307 to ensure proper documentation for Metric R-2. This revision was issued with an effective date of August 25, 2017.

These above mentioned changes are in place for the 2017 ROP self-assessment metrics evaluation and corresponding 2017 self-assessment SECY paper, which is currently being drafted. The staff recommends closure of Recommendations 3 and 4 based on the revisions to IMC 0307, Appendix A.

Date of completion: August 25, 2017  
Contact: Mary Anderson, NRR/DIRS  
(301) 415-7126

## Audit Report

### AUDIT OF NRC'S Significance Determination Process for Reactor Safety

OIG-16-A-21

#### Status of Recommendations

Recommendations 3 and  
4 (Cont.):

OIG Analysis:

OIG has reviewed the ROP Self-Assessment Job Guide, which was developed by the agency to meet the requirements specific to recommendation 3. Recommendation 3 is therefore closed.

OIG has also reviewed the draft proposals relating to recommendation 4. Based on actions taken by the agency, recommendation 4 remains resolved. OIG will close recommendation 4 after reviewing the final version of the draft SECY and associated ROP self-assessment to verify that staff have completed these actions as described.

**Status:**

Recommendation 3 is closed.

Recommendation 4 is resolved.