



OFFICE OF THE INSPECTOR GENERAL

U.S. NUCLEAR REGULATORY COMMISSION

DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Audit of NRC's Oversight for Issuing Certificates of Compliance for Radioactive Material Packages

OIG-17-A-21

August 16, 2017



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

**OFFICE OF THE
INSPECTOR GENERAL**

August 16, 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 OVERSIGHT FOR ISSUING
CERTIFICATES OF COMPLIANCE FOR RADIOACTIVE
MATERIAL PACKAGES (OIG-17-A-21)

Attached is the Office of the Inspector General's (OIG) audit report titled *Audit of NRC's Oversight for Issuing Certificates of Compliance for Radioactive Material Packages*.

The report presents the results of the subject audit. Following the July 27, 2017, exit conference, agency staff indicated that they had no formal comments for inclusion in this report.

Please provide information on actions taken or planned on each of the recommendations within 30 days of the date of this memorandum. Actions taken or planned are subject to OIG followup as stated in Management Directive 6.1.

We appreciate the cooperation extended to us by members of your staff during the audit. If you have any questions or comments about our report, please contact me at (301) 415-5915 or Sherri Miotla, Team Leader, at (301) 415-5914.

Attachment: As stated



Office of the Inspector General

U.S. Nuclear Regulatory Commission
Defense Nuclear Facilities Safety Board

OIG-17-A-21
August 16, 2017

Results in Brief

Why We Did This Review

The Nuclear Regulatory Commission (NRC) issues certificates of compliance to approve the design of a (1) package for transportation of radioactive material or (2) cask for spent fuel storage. A transportation package includes the assembly of components necessary to ensure compliance with packaging requirements and the radioactive contents as presented for transport. A storage cask is a heavily shielded container, often made of lead, concrete, or steel, used for the dry storage of radioactive material.

Title 10 Code of Federal Regulations (CFR) Part 71 establishes the requirements for transportation of radioactive material package designs.

Additionally, 10 CFR Part 72 establishes the requirements for the issuance of certificates of compliance for spent fuel storage cask designs.

The audit objective was to determine if NRC's processes for issuing certificates of compliance and reviewing 10 CFR Part 72.48 changes provide adequate protection for public health, safety, and the environment.

Audit of NRC's Oversight for Issuing Certificates of Compliance for Radioactive Material Packages

What We Found

OIG found that NRC processes for issuing certificates of compliance are adequate; however, opportunities for improvement exist within NRC's internal processes. Specifically, NRC should (1) determine and provide the basis for an appropriate term for Part 71 certificates of compliance and (2) establish sufficient controls for Part 72.48 reviews.

NRC should regulate in a manner that clearly communicates requirements and ensures that regulations incorporate an assessment of safety significance or relative risk. However, NRC does not have regulatory or technical bases to support the 5-year term. As a result, the agency is imposing a regulatory requirement without clearly assessing the importance to safety or the potential burden imposed on NRC staff and the certificate holders.

Additionally, NRC management and staff are responsible for providing and following effective procedures to ensure implementation of agency policies. However, there are insufficient internal controls to ensure internal guidance is consistently followed. As a result, NRC may not detect Part 72.48 changes that should have been submitted as amendment requests.

What We Recommend

This report makes four recommendations to improve NRC's oversight for issuing certificates of compliance for radioactive material packages. Management stated their agreement with the findings and recommendations in this report.

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ABBREVIATIONS AND ACRONYMS

ADAMS	Agencywide Documents Access and Management System
CFR	Code of Federal Regulations
DSFM	Division of Spent Fuel Management
NMSS	Office of Nuclear Material Safety and Safeguards
NRC	Nuclear Regulatory Commission
OGC	Office of the General Counsel
OIG	Office of the Inspector General
PART 71	Title 10 Code of Federal Regulations Part 71
PART 72	Title 10 Code of Federal Regulations Part 72
PART 72.48	Title 10 Code of Federal Regulations Part 72.48

I. BACKGROUND

Certificates of Compliance

The Nuclear Regulatory Commission (NRC) issues certificates of compliance to approve the design of a (1) package for transportation of radioactive material or (2) cask for spent fuel¹ storage. A transportation package includes the assembly of components necessary to ensure compliance with packaging requirements and the radioactive contents as presented for transport. A storage cask is a heavily shielded container, often made of lead, concrete, or steel, used for the dry storage of radioactive material.

The person or vendor who has been issued a certificate of compliance by NRC is called a certificate holder. A certificate holder or potential certificate holder is responsible for applying to NRC for approval of a new design, a revision or amendment to an existing design, or a renewal for an expiring certificate of compliance. Vendors with approved designs sell and lease packages or casks to NRC licensees authorized to use NRC approved packages or casks. These licensees are called certificate users.

NRC Organization Responsible for Issuing Certificates of Compliance

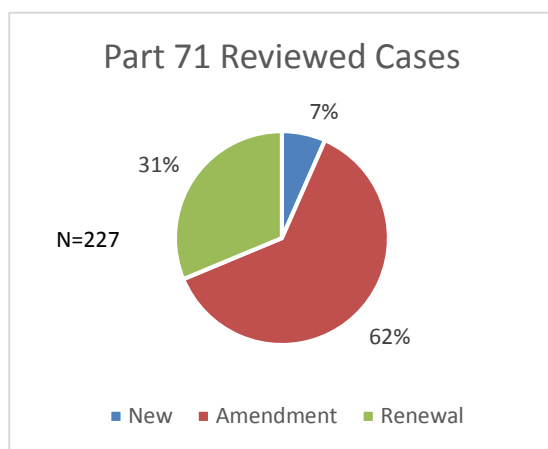
The Office of Nuclear Material Safety and Safeguards (NMSS) is responsible for, among other things, regulating activities to provide for the safe transportation of radioactive material packages and the safe storage and transportation of spent nuclear fuel. NMSS' Division of Spent Fuel Management (DSFM) is responsible for reviewing and issuing certificates of compliance, and handling the regulatory, licensing, and inspection programs related to the transportation of radioactive material packages and the storage of spent nuclear fuel.

¹ *Spent fuel or spent nuclear fuel* means fuel that has been withdrawn from a nuclear reactor following irradiation, has undergone at least 1 year's decay since being used as a source of energy in a power reactor, and has not been chemically separated into its constituent elements by reprocessing. Spent fuel includes the special nuclear material, byproduct material, source material, and other radioactive material associated with fuel assemblies.

Transportation of Radioactive Material Packages Regulation (10 CFR Part 71)

Title 10 Code of Federal Regulations Part 71 (Part 71) establishes the requirements for the transportation of radioactive material packages that apply to any holder or applicant for a transportation certificate of

Figure 1: Part 71 Cases Reviewed by DSFM



Source: OIG generated

compliance. DSFM issues transportation certificates of compliance for a period of 5 years. For more details on NRC's process for issuing Part 71 certificates of compliance, see Appendix A.

From October 2012 through February 2017, DSFM reviewed 227 applications under Part 71, divided into 3 types of reviews. There were 15 new cases, 71 renewal cases, and 141 amendments reviewed (see Figure 1).

Storage Casks of Radioactive Material Regulation (10 CFR Part 72)

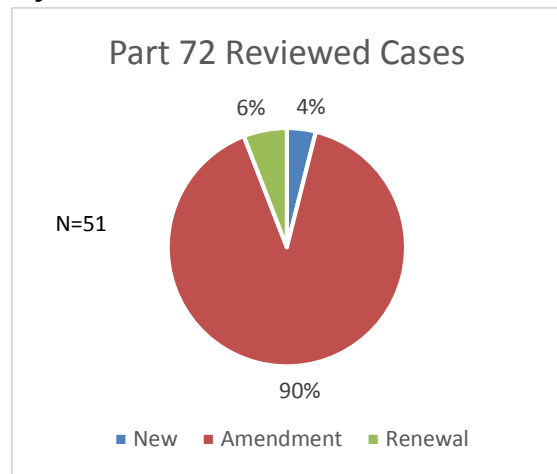
The regulations in 10 CFR Part 72 (Part 72) establish the requirements, procedures, and criteria for the issuance of certificates of compliance that approve spent fuel storage cask designs. DSFM issues storage certificates of compliance for a term not to exceed 40 years. For more details on NRC's process for issuing Part 72 certificates of compliance, see Appendix A.

Between October 2012 and February 2017, DSFM reviewed 51 storage cask applications (Figure 2 shows the percentage for each application type).

Part 72.48 Changes

NRC's 10 CFR Part 72.48, *Changes, tests and experiments*, (Part 72.48) establishes the conditions under which certificate holders may make changes to their facilities, procedures, or spent fuel storage casks without prior NRC approval for a certificate of compliance amendment. Although certificate holders are allowed to make changes authorized by Part 72.48 without prior NRC approval, they are required to submit a biennial summary report containing a brief description of any changes, tests, and experiments to NRC at intervals not to exceed 24 months.

Figure 2: Part 72 Cases Reviewed by DSFM



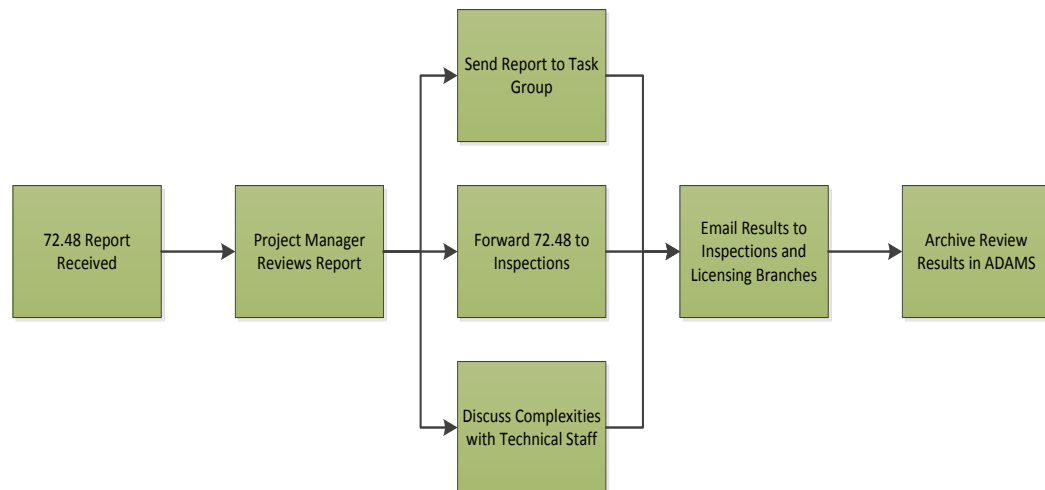
Source: OIG generated

Part 72.48 Biennial Summary Report Review Process

The process DSFM staff are supposed to follow when reviewing biennial summary reports is detailed in *Office Instruction-18, Part 72 Review Guidance*. The process begins when the certificate holder submits a biennial summary report of Part 72.48 changes to NMSS. After the certificate holder submits the report, the report is supposed to be forwarded to the project manager in the DSFM Spent Fuel Licensing

Branch. The project manager is responsible for reviewing the biennial summary report for Part 72.48 changes, and determining whether the changes should be further evaluated by the 10 CFR 72.48 Task Group.² If the project manager determines the Task Group should review the issue, the Task Group meets to recommend a course of action for DSFM. However, before soliciting assistance from the 10 CFR 72.48 Task Group, the project manager may reach out for assistance from technical reviewers within DSFM. The project managers should conclude their review with an email to the appropriate DSFM branch chiefs. This email should be archived in NRC's Agencywide Documents Access and Management System (ADAMS).³ See Figure 3 for a simplified version of the Part 72.48 biennial summary report review process.

Figure 3: Part 72.48 Biennial Summary Report Review Process



Source: OIG interpretation of the 10 CFR 72.48 biennial summary report review process

² The purpose of the Task Group is to (1) address 72.48 issues, (2) provide for consistency in interpreting 72.48 reviews and evaluations, (3) develop guidance for reviewing 72.48 changes, (4) provide recommendations to management on 72.48 matters, (5) provide 72.48 mentoring and training to other staff members, and (6) provide regional support on 72.48 matters.

³ ADAMS is the official recordkeeping system, through which NRC provides access to libraries or collections of publicly available documents.

II. OBJECTIVE

The audit objective was to determine if NRC's processes for issuing certificates of compliance and reviewing 10 CFR Part 72.48 changes provide adequate protection for public health, safety, and the environment. See Appendix B for information on audit scope and methodology.

III. FINDINGS

NRC's processes for issuing certificates of compliance are adequate; however, opportunities for improvement exist within NRC's internal processes. Specifically, NRC should

- Determine and provide the basis for an appropriate term for Part 71 certificates of compliance.
- Establish sufficient controls for Part 72.48 reviews.

A. Lack of Documented Basis for the Part 71 Certificates of Compliance 5-Year Term

Regarding the term for Part 71 (transportation) certificates of compliance, the agency is relying on a practice used by staff for years instead of a formal determination. NRC should regulate in a manner that clearly communicates requirements and ensures that regulations incorporate an assessment of safety significance or relative risk. However, NRC does not have documented regulatory and technical bases to support the 5-year term. As a result, the agency is imposing a regulatory requirement without clearly assessing the importance to safety or the potential burden imposed on NRC staff and the certificate holders.

What Is Required

NRC Regulations Should Be Clear and Risk-Informed

Clarity is one of the principles that guides how NRC carries out its regulatory activities, as stipulated in *NRC's Principles of Good Regulation*. Specifically, this principle states that regulations should be coherent, logical, and practical. There should be a clear nexus between regulations and agency goals and objectives whether explicitly or implicitly stated.

Furthermore, NRC's Strategic Plan, Fiscal Years 2014-2018,⁴ states the agency uses risk-informed regulations to enhance the effectiveness of its regulatory framework. A risk-informed approach ensures the regulatory burden imposed by an individual regulation or process is appropriate to its importance in protecting public health and safety and the environment.

What We Found

The Basis for Part 71 Certificates of Compliance Term Is Unsupported

Regarding the term for Part 71 (transportation) certificates of compliance, the agency is relying on an informal practice used by staff instead of a formal determination. The regulation (Part 71.38) states that each certificate of compliance expires on the date noted on the approved certificate; however, Part 71 does not set a standard term for transportation certificates of compliance. The only reference to the Part 71 certificate of compliance term is in NRC internal guidance. NMSS *Office Instruction-07* states that a Part 71 certificate of compliance is issued for a 5-year term, but it provides no justification for that term. In contrast, the term for Part 72 (storage) cask certificates of compliance is specified in 10 CFR 72.238 and is supported by research.

⁴ NUREG-1614, Vol.6, published September 2014.

NRC staff members responsible for issuing Part 71 certificates of compliance do not know why the agency imposes a 5-year term for Part 71 certificates of compliance. A staff member noted the 5-year term is purely an administrative decision made approximately 30 years ago. Another staff member opined that the 5-year term is an arbitrary value. Other staff members speculated the 5-year term could have been adopted from international standards. A legal team in NRC's Office of the General Counsel (OGC) was unable to identify the stated technical basis for the 5-year term, but stated the 5-year timeframe is consistent with international standards. However, OGC representatives were unable to provide documentation supporting this statement. Moreover, OIG researched and reviewed various documents but was also unable to identify documentation that validated the 5-year requirement.

Similar to NRC, the Department of Transportation and the Department of Energy issue certificates of compliance for the transportation of radioactive material packages for 5-year terms. However, officials from each agency were unable to articulate the basis for the 5-year term. For example, a Department of Transportation official stated there are theories about how a 5-year term became the standard, but there has never been a regulatory or statutory citation mandating a 5-year term. Similarly, a Department of Energy official stated that the agency follows the same 5-year term requirement as NRC, but did not know where the 5-year term originated.

Why This Occurred

NRC Does Not Have Regulatory and Technical Bases to Justify the 5-Year Term

NRC does not have regulatory and technical bases to justify the Part 71 certificate of compliance 5-year term. NMSS staff members stated that they are not aware of an agency assessment supporting the 5-year term. OGC and NRC's technical library corroborated staff's assertion and found no statutory, regulatory, or technical bases to justify the requirement.

Why This Is Important

NRC is Potentially Increasing Risk to Public Health and Safety or Imposing Undue Burden

Without having the regulatory and technical bases to justify the 5-year term for the transportation certificates of compliance, NRC is imposing a requirement without establishing the importance to safety or the regulatory burden. Further, there is no clear nexus between this NRC requirement and NRC goals and objectives. Moreover, while the certificate of compliance term of 5 years has been used since at least 1990, it is undetermined whether this term is appropriate to ensure public health and safety.

Since NRC cannot support the 5-year term, it is unclear what the appropriate term should be for transportation certificates of compliance. If the transportation certificate of compliance term should be shorter than 5 years, then NRC could potentially be risking public health and safety. Conversely, if the transportation certificate of compliance term should be longer than 5 years, NRC could potentially be imposing regulatory and administrative burden on its staff and the certificate of compliance holders. In effect, this opposes NRC's *Principles of Good Regulation*.

Even if the 5-year term is appropriate, the basis for the requirement is unclear. It is important for requirements to be logical, practical, and provide a clear nexus between NRC's regulation and its strategic goals and objectives.

Recommendations

OIG recommends that the Executive Director for Operations

1. Conduct an analysis to develop the regulatory and technical bases for the Part 71 certificates of compliance term.
2. Document and communicate to stakeholders NRC's analysis results identifying the bases for an appropriate term for Part 71 certificates of compliance.

B. NRC Does Not Comply with Part 72.48 Guidance

NRC staff are not following internal NRC procedural guidance for conducting Part 72.48 reviews. NRC management and staff are responsible for providing and following effective procedures to ensure implementation of agency policies. However, there are insufficient internal controls to ensure internal guidance is consistently followed. As a result, NRC may not detect Part 72.48 changes that should have been submitted as amendment requests.

What Is Required

Management and Staff Should Provide and Follow Procedures

NRC management and staff are responsible for providing and following effective procedures to ensure consistent implementation of agency policies. Federal standards designate management as responsible for providing procedures that serve as a mechanism to support efficient operations, reliable reporting and communication, and reasonable assurance that requirements are met. The U.S. Government Accountability Office's *Standards for Internal Control in the Federal Government*⁵ stipulates that management is responsible for documenting policies and procedures related to operational processes. Additionally, management must communicate policies and procedures to personnel so that they can apply the procedures to their assigned responsibilities. Further, per agency policy and procedures,⁶ NRC management is responsible for providing effective procedures to ensure consistent implementation of agency policies. NMSS staff members are responsible for following office policies and procedures.

⁵ GAO-14-704G, September 2014.

⁶ NMSS Policy and Procedures – 1-00, Preparing and Maintaining NMSS Policy and Procedures, February 29, 2016.

What We Found

NRC Staff are Not Following Agency Guidance Related to Part 72.48 Requirements

NMSS' primary guidance for Part 72 review—*Office Instruction-18, Part 72 Review Guidance*—states that project managers are expected to review, document, and communicate their review of 10 CFR 72.48 biennial summary reports within 30 days of receipt from the certificate holder. However, staff are not following agency guidance related to Part 72.48 procedures.

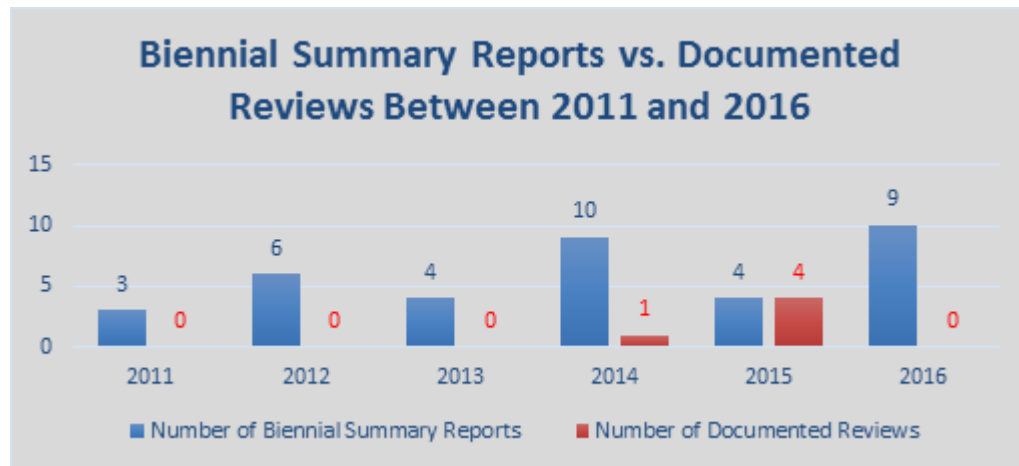
OIG staff searched ADAMS and located 36 certificate holder biennial summary reports submitted between 2011 and 2016.

- Of the 36 biennial summary reports submitted to NRC, only 5 reviews were documented and completed by NRC. All 5 of the reviews were completed by the same project manager.⁷
- None of the 5 completed reviews were placed in ADAMS within 30 days of completion as stipulated in *Office Instruction-18*. The audit team found the reviews were documented and placed in ADAMS an average of 2.5 years after the biennial summary reports were received.

See Figure 4 for a graphical representation of the number of certificate holders' biennial summary reports submitted and the project manager's documented reviews between 2011 and 2016.

⁷ Currently, there are six project managers in DSFM responsible for reviewing the biennial summary reports.

Figure 4: Biennial Reports vs. Documented Reviews Between 2011 and 2016



Source: OIG generated

Although NRC management and staff mentioned that there is no regulatory requirement for staff to review the biennial summary reports, Part 72.48 requires certificate holders to submit the biennial summary report to NRC. This means the certificate holders are required to submit a report that NRC may not even review.

Even though NRC project managers do not always review the biennial summary reports, there is an opportunity for inspectors to assess the certificate holder's Part 72.48 evaluations. Per *Inspection Procedure 60857*, NRC inspectors may inspect a *sample* of changes, tests, and experiments that were conducted under Part 72.48.

Why This Occurred

There are Insufficient Internal Controls to Ensure Consistent Implementation of Office Policies

NRC staff are not adhering to Part 72.48 procedures because there are insufficient internal controls to ensure consistent implementation of office policies. Specifically, there are insufficient internal controls with regard to staff being aware of procedural requirements, procedures being up to date, and training being provided.

Staff Are Not Aware of Procedural Requirements

What is internal control? Internal control is a process used by management to help an entity achieve its objectives. It is comprised of plans, methods, policies, and procedures used to fulfill the mission, strategic plan, goals, and objectives of the entity.

How does internal control work?

Internal control helps an entity

- Run its operations efficiently and effectively.
- Report reliable information about its operations.
- Comply with applicable laws and regulations.

Some staff are not clear about the 72.48 procedural requirements. Project managers have a very important role in the 72.48 process; they are most familiar with the certificate of compliance holders and best understand their operations. Yet, a few project managers indicated that they are not aware of *Office Instruction-18*, which is the primary guidance for reviewing the 72.48 biennial summary reports. For example, when asked about guidance used to help with reviewing 72.48 changes, one project manager said “There is no guidance....” Other project managers stated that they are uncertain which procedure to follow when they review Part 72.48 changes.

Part 72.48 Procedures Are Not Up to Date

In addition to *Office Instruction-18*, OIG identified two guidance documents—*Task Group Charter*, and *Task Group Goals, Membership and Products* which are also pertinent to Part 72.48 reviews. However, these guidance documents are not up to date.

- *Office Instruction-18*, dated September 28, 2006, requires NMSS staff members to record the time they spend reviewing biennial summary reports using cost activity code L23873. However, NRC's Office of the Chief Financial Officer staff stated that this cost activity code was discontinued in practice at the end of fiscal year 2015. NRC formally closed the cost activity code during fiscal year 2016.
- The *Task Group Charter*, and *Task Group Goals, Membership and Products* documents were approved in June 2003 and January 2006, respectively. Since the approval of both documents, the Task Group membership has changed and so the names listed on those documents do not accurately reflect the current members. Only three of the nine members are correctly named.

The audit team acknowledges NMSS staff recognize updates are needed and they are in the process of reviewing and revising *Office Instruction-18*.

Part 72.48 Training is Not Being Provided

According to the two charter documents, *Task Group Charter* and *Task Group Goals, Membership and Products*, 72.48 training must be provided to DSFM and the regional staff. However, the last time training on 72.48 reviews was offered to DSFM was in January 2011. Training on 72.48 reviews is occasionally offered at the Independent Spent Fuel Storage Installation Inspector Counterpart meetings. However, this training is meant for inspectors who conduct inspections at Independent Spent Fuel Storage Installation sites and not designed for project managers and technical reviewers in DSFM.

Why This Is Important

NRC May Miss Improper 72.48 Changes

Without sufficient internal controls to ensure consistent implementation of NMSS' office policies, NRC may miss Part 72.48 changes that should

have been submitted as amendment requests. Specifically, if NMSS staff members are not aware of the procedural requirements and/or those requirements are out of date, the agency's operations for the 72.48 process will not run efficiently and effectively. Furthermore, without appropriate and timely training, staff may not know how to successfully execute the Part 72.48 process. Consequently, the lack of internal controls in the 72.48 process could ultimately lead to issues with regard to the public health and safety.

Recommendations

OIG recommends that the Executive Director for Operations

3. Establish sufficient internal controls by updating NRC guidance related to Part 72.48 review procedures.
4. Establish sufficient internal controls by developing and implementing training for Part 72.48 review process.

IV. CONSOLIDATED LIST OF RECOMMENDATIONS

OIG recommends that the Executive Director for Operations

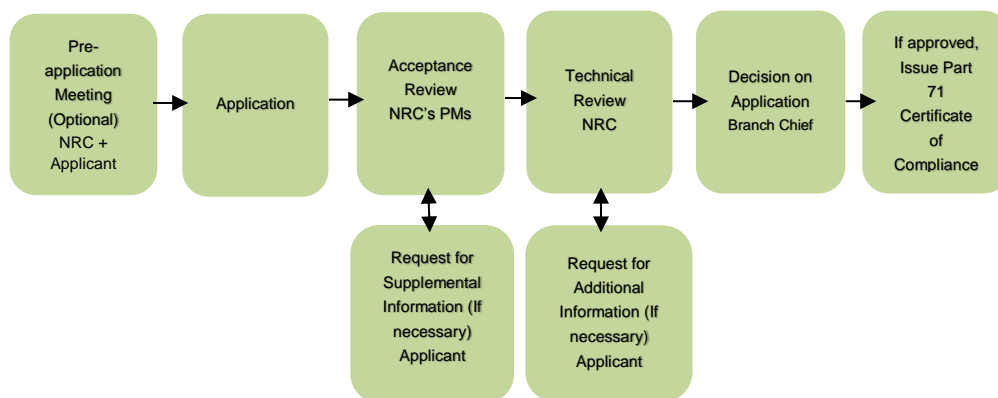
1. Conduct an analysis to develop the regulatory and technical bases for the Part 71 certificates of compliance term.
2. Document and communicate to stakeholders NRC's analysis results identifying the bases for an appropriate term for Part 71 certificates of compliance.
3. Establish sufficient internal controls by updating NRC guidance related to Part 72.48 review procedures.
4. Establish sufficient internal controls by developing and implementing training for Part 72.48 review process.

V. AGENCY COMMENTS

An exit conference was held with the agency on July 27, 2017. Prior to this meeting, after reviewing a discussion draft, agency management provided comments that have been incorporated into this report, as appropriate. As a result, agency management stated their general agreement with the findings and recommendations in this report and opted not to provide formal comments for inclusion in this report.

PART 71 AND 72 PROCESSES FOR REVIEWING APPLICATIONS AND ISSUING CERTIFICATES OF COMPLIANCE

Part 71 Application Review Process

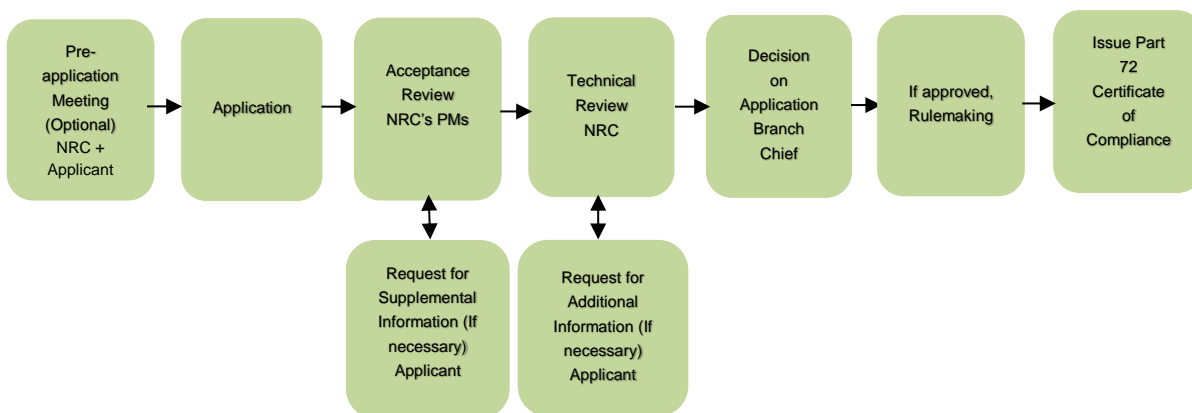


Source: OIG generated from DSFM flowchart

Applications for transportation package design certification under Part 71 must include a package description, an evaluation of the package, and a description of a quality assurance program. The design description and evaluation must meet the structural, thermal, containment, shielding, and criticality requirements in Part 71. A pre-application meeting with NRC and the applicant is recommended to provide an opportunity for applicants to ask clarifying questions of NRC staff and for staff to prepare for the review of the incoming application. After NRC receives the application, the DSFM project manager, often with technical reviewers, does an acceptance review to ensure the application contains sufficient information to perform the technical review. During the acceptance review, DSFM staff can request supplemental information from the applicant in order to obtain information necessary to support starting the technical review. DSFM staff conduct the technical safety review with focus on shielding, containment, and subcriticality. During the technical review, DSFM staff use requests for additional information to get more information to determine if a regulatory requirement is met. Finally, if the regulatory

requirements are met, the Branch Chief in DSFM's Spent Fuel Licensing Branch approves the application and issues the certificate of compliance.

Part 72 Application Review Process



Source: OIG generated from DSFM flowchart

The DSFM review process for storage cask applications is similar to that of transportation package applications except storage cask reviews include rulemaking. The rulemaking process is used to add the certificate of compliance, or amendment, to Part 72.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The audit objective was to determine if NRC's processes for issuing certificates of compliance and reviewing 10 CFR Part 72.48 changes provide adequate protection for public health, safety, and the environment.

Scope

This audit focused on NRC's processes for issuing certificates of compliance and reviewing biennial reports for 72.48 changes. We conducted this performance audit at NRC headquarters (Rockville, MD) and Region II (Atlanta, GA) from December 2016 to May 2017. Internal controls related to the audit objective were reviewed and analyzed. Throughout the audit, auditors considered the possibility of fraud, waste, or abuse in the program.

Methodology

OIG reviewed relevant criteria such as the Government Accountability Office's *Standards for Internal Control in the Federal Government*, NRC's Strategic Plan for Fiscal Years 2014 to 2018, and NRC's *Principles of Good Regulation*. OIG also reviewed applicable Federal Regulations including 10 CFR Parts 71 and 72. OIG identified and reviewed internal NRC guidance documents relevant to the oversight of certificates of compliance in the form of Office Instructions, Inspection Procedures, and NUREGs.

OIG interviewed NRC staff and management to gain an understanding of roles, responsibilities, and processes related to certificates of compliance. Auditors interviewed staff from NMSS, Office of the Chief Financial Officer, Region II (in Atlanta), and Regions I, III, and IV (telephonically). Staff from

OGC and the NRC Technical Library also provided input to support this audit. Outside of NRC, OIG consulted the Department of Energy, the Department of Transportation, and several Part 71 certificate holders.

Additionally, OIG conducted a search of ADAMS to find 72.48 biennial summary reports and any NRC reviews associated with those reports.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The audit was conducted by Sherri Miotla, Team Leader; Ziad Buhaissi, Audit Manager; Avinash Jaigobind, Senior Auditor; Roxana Hartsock, Auditor; George Gusack, Auditor; and John Thorp, Senior Technical Advisor.

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Hotline Program
Mail Stop O5-E13
11555 Rockville Pike
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COMMENTS AND SUGGESTIONS

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