Memorandum from the Office of the Inspector General

August 31, 2017

Gregory A. Boerschig, LP 3R-C

REQUEST FOR FINAL ACTION – EVALUATION 2017-15466 – ACTIONS TO ADDRESS ISSUES IDENTIFIED IN ASSESSMENTS OF NUCLEAR QUALITY ASSURANCE

According to the Tennessee Valley Authority's (TVA) Nuclear Operating Manual, Nuclear Quality Assurance (QA) provides monitoring and assessment of plant activities to ensure they are conducted in a quality manner. Periodically, reviews are performed (internal and external) of QA that identify improvement opportunities. Due to the importance of QA's role in monitoring and assessing nuclear plant activities, we initiated an evaluation to determine if QA has taken actions to address issues identified during the internal and external reviews. The scope of our evaluation was limited to reviews of QA performed in fiscal year (FY) 2016.

We determined QA generally took actions to address issues identified during reviews of QA. Specifically, we found actions were taken to address 50 of the 52 issues identified in the reviews. For the remaining issues, justification was not included in the associated Condition Report (CR) to explain why no actions were needed. Providing justification when QA issues are identified, but actions are not taken, could provide insight into similar situations in the future. Accordingly, we recommend the Vice President, Nuclear Oversight, require justification to be included in CRs assigned to QA when no actions are taken.

TVA management agreed with our finding and recommendation. See the Appendix for TVA management's complete response.

BACKGROUND

According to the Nuclear Operating Manual, QA provides monitoring and assessment of plant activities to ensure they are conducted in a quality manner. This function is performed independently of the individual or group directly responsible for performing the activity to ensure regulatory and industry standards compliance, and the highest levels of performance are achieved. Among other things, QA (1) maintains governance of the Nuclear Quality Assurance Program (NQAP),[1] (2) maintains and implements a program of planned and periodic audits and assessments to confirm that activities affecting quality comply with the NQAP, and (3) ensures that NQAP requirements are effectively implemented.

[1] The NQAP defines and describes the nuclear quality assurance requirements for TVA and establishes responsibilities for their implementation.

QA also performs audits of suppliers external to TVA. Audits provide an objective evaluation of quality-related practices, procedures, instructions, activities and items, and include a review of documents and records. In addition to audits, QA performs assessments and field observation activities. Assessments are used to supplement audits, follow up on previous findings, and verify performance in areas of concern to the nuclear oversight organization or management. Observations are done to assess real-time field performance of line organizations.

To determine if TVA's Nuclear Oversight organization (which includes QA) is effective in performing independent oversight activities, Nuclear Industry Evaluation Program (NIEP) audits/evaluations are conducted periodically. NIEP is an industry subcommittee established to provide for the development of an independent peer assessment process of oversight practices associated with nuclear utilities. Additionally, QA personnel perform self-assessments and missed opportunity reviews (MORs) to identify lessons learned and improvement opportunities and/or actions.

Due to the importance of QA's role in monitoring and assessing nuclear plant activities, we initiated an evaluation to determine if QA has taken actions to address issues identified during internal and external reviews of its program.

OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective was to determine if QA has taken actions to address issues identified during program assessments and evaluations (collectively referred to as reviews in this report). The scope of our evaluation was limited to reviews of QA in FY2016 and did not include determining the adequacy of the actions taken to address identified issues.

To achieve our objective, we:

- Identified 31 reviews that had been performed during FY2016. The reviews included a NIEP audit, a QA self-assessment, and 29 MORs.
- Selected a nonstatistical, random sample of 15 of 29 MORs for inclusion in our evaluation. We reviewed the documentation for these MORs and for the NIEP audit and QA self-assessment to identify issues (deficiencies and/or recommendations). The reviews had 52[2] issues as follows:
  - Twenty-three issues in the QA self-assessment.
  - Seventeen issues in the NIEP audit.
  - Twelve issues in QA MORs.[3]
- Reviewed CR documentation as well as the reviews of QA to identify planned actions for identified issues.
- Determined if actions were taken by reviewing CR attachments, QA documentation, and interviewing QA personnel.

[2] An additional 6 issues were listed in the self-assessment and an additional 6 issues were listed in the NIEP audit, which were related to other organizations.

[3] For 3 of 15 MORs, no issues were identified.

This evaluation was performed in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

FINDING

We determined QA generally took actions to address the issues identified in reviews of QA. Specifically, we found actions were taken to address 50 of the 52 issues identified in the reviews. For one of the remaining two issues, the CR stated, "Evaluation of the condition determined no additional action was required to address this condition." However, the CR did not provide any information that explained why additional actions were not needed. QA personnel agreed that critical thinking should have been documented in the resolution for the CR. For the other issue, no actions were taken.[4] While the CR described the issue, there was no description of why actions were not needed to address this issue.

Providing justification when QA issues are identified but actions are not taken, could provide insight into similar situations in the future.

RECOMMENDATION

We recommend the Vice President, Nuclear Oversight, require justification to be included in CRs assigned to QA when no actions are taken.

TVA Management's Comments – TVA management agreed with our finding and recommendation and stated they will add a statement to their Quality Assurance specific procedure to make it clear that when no actions are taken, justification will be included in the CR.

See the Appendix for TVA management's complete response.

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[4] The CR was classified as part of the Corrective Action Program and the level assigned to the CR indicated that no actions were required.

This report is for your review and final action. Your written comments, which addressed your management decision and actions planned or taken, have been included in the report. Please notify us when final action is complete. In accordance with the Inspector General Act of 1978, as amended, the Office of the Inspector General is required to report to Congress semiannually regarding evaluations that remain unresolved after 6 months from the date of report issuance.

Information contained in this report will be subject to public disclosure. Please advise us of any sensitive information in this report that you recommend be withheld.

If you have any questions or wish to discuss our observations, please contact Deana D. Scoggins, Senior Auditor, at (423) 785-4822 or E. David Willis, Director, Evaluations, at (865) 633-7376. We appreciate the courtesy and cooperation received from your staff during the evaluation.

David P. Wheeler
Assistant Inspector General
(Audits and Evaluations)
ET 3C-K

DDS:FAJ
Attachment
cc (Attachment):
TVA Board of Directors
Michael A. Balduzzi, LP 3R-C
Janet J. Brewer, WT 7C-K
Robertson D. Dickens, WT 9C-K
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Richard W. Moore, ET 4C-K
OIG File No. 2017-15466

From: Boerschig, Gregory A
Sent: Friday, August 25, 2017 10:28 AM
To: Wheeler, David P.
Cc: Detwiler, Ronald E
Subject: RE: Request for Comments - Evaluation 2017-15466 - Actions to Address Issues Identified in Assessments of Nuclear Quality Assurance
Sensitivity: Private

Mr. Wheeler,
The NOS GM, managers, and I have reviewed the subject document and NOS has no disagreement with the facts, conclusions, or the recommendation.

With respect to the recommendation, our intention is to address it as follows. In reviewing the current TVA Nuclear Corrective Action Program related documents, there should have been sufficient governance to ensure employees include justification in CR responses when no actions are taken. However, in following up on the insights provided from the OIG evaluation report and discussions, it became clear that in order to sustain this desired behavior for an environment of continuous improvement, we should add an appropriate statement to our Quality Assurance specific procedures to reinforce this important behavior for effective corrective action program usage. As such, we will add a statement to NPG-SPP-03.25, Quality Assurance Learning Organization, to make it clear that when no actions are taken for CRs assigned to QA, justification will be included in the CR as required by the TVA corrective action program.

Again, thank you for the review and the feedback, as well as an opportunity to review your report and provide feedback. I would also like the thank your team for the time they spent evaluating our group and giving us feedback which can be used to pursue continuous improvement to excellence. Thank you.

Greg Boerschig
VP, Nuclear Oversight