

U.S. Nuclear Regulatory Commission

Office of the Inspector General



Fiscal Years 2008-2013 Strategic Plan

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U.S. Nuclear Regulatory Commission Office of the Inspector General Fiscal Years 2008 – 2013 Strategic Plan

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NRC-OIG Strategic Plan FYs 2008 - 2013

SECTION 1 – MISSION AND VISION

INTRODUCTION

This FY 2008-2013 Strategic Plan (Strategic Plan) presents the Nuclear Regulatory Commission (NRC) Office of the Inspector General's (OIG) priorities for the covered timeframe. This updated Strategic Plan describes our strategic direction to stakeholders, including the NRC Chairman and the U.S. Congress. From this perspective, it presents our results-based business case, explaining our return-on-investment. It also strengthens the OIG by providing a shared set of expectations regarding the goals we expect to achieve and the strategies that we will use to do so. We will adjust the plan as circumstances necessitate, use it to develop our annual plan and budget submission, report on progress in our semiannual reports, and hold our managers and staff accountable for achieving the goals and outcomes.

NRC-OIG MISSION

The Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974, as amended, established NRC's basic regulatory mission. NRC's mission is to license and regulate the Nation's civilian use of byproduct, source, and special nuclear materials to ensure adequate protection of public health and safety, promote the common defense and security, and protect the environment.

The American people expect excellence and accountability from their Government. Toward that end, the U.S. Congress passed the Inspector General (IG) Act in 1978 to ensure integrity and efficiency within the Federal Government and its programs. NRC's OIG was established as a statutory entity on April 15, 1989, in accordance with the 1988 amendment to the IG Act.

NRC-OIG's mission is to (1) independently and objectively conduct and supervise audits and investigations relating to NRC's programs and operations; (2) prevent and detect fraud, waste, and abuse, and (3) promote economy, efficiency, and effectiveness in NRC's programs and operations.

OIG also reviews existing and proposed regulations, legislation, and directives and provides comments, as appropriate, regarding any significant concern. It keeps the NRC Chairman and Members of Congress fully and currently informed about problems, recommends corrective actions, and monitors NRC progress in implementing those actions.

VISION FOR FYs 2008 THROUGH 2013

“We are agents of positive change striving for continuous improvement in our agency’s management and program operations.”

ALIGNING WITH NRC’S MISSION

To update the OIG Strategic Plan in FY 2008, OIG identified the major challenges and risk areas facing NRC. As part of this effort, OIG considered its latest assessment of NRC’s most serious management challenges, the NRC Chairman’s parallel effort to identify the agency’s management challenges, and recent work completed by OIG’s audit and investigative units. This process resulted in an OIG strategic plan that features three strategic goals that align with NRC’s mission.

OIG Strategic Goal 1

Strengthen NRC’s efforts to protect public health and safety and the environment.

OIG Strategic Goal 2

Enhance NRC’s efforts to increase security in response to an evolving threat environment.

OIG Strategic Goal 3

Increase the economy, efficiency, and effectiveness with which NRC manages and exercises stewardship over its resources.

Through this alignment and associated planning activities, OIG identified the major risks confronting the NRC to focus its resources on improving NRC’s ability to deal with these issues. In response, OIG will identify opportunities for improvement in the agency and will conduct activities to prevent and detect fraud, waste, mismanagement, and inefficiency in NRC programs and operations. The associated work of OIG auditors and investigators are mutually supportive and complementary in pursuit of these objectives.

Changing conditions and revisions of laws, regulations, procedures, and agency priorities will inevitably require alterations to this strategic plan. The experience of the auditors and investigators will also offer opportunities to consider further refinements.

ROLE OF THE OIG

To accomplish their mission, Inspectors General (IGs) have substantial independence and authority. Within this broad purview, IGs conduct audits and investigations of agency programs; have direct access to agency records and materials; issue subpoenas for all necessary information, data, reports, and other documentary evidence; hire their own staffs to include subject-matter experts as required; and

request assistance from other Federal, State, and local government agencies. The IG structure allows them to act as independent fact-gatherers, often undertaking initiatives at the request of the agency head and Congress, and to provide assessments in such areas as financial management systems and internal controls. In such instances, IGs and agency managers pursue the same ultimate goal – efficient and effective program operations.

Background

To perform its duties, OIG employs auditors, management analysts, engineers, criminal investigators, investigative analysts, legal counsel, and support personnel. OIG also uses specialized firms and private sector contractors to provide technical expertise not available among OIG staff.

Audits

To fulfill its audit mission, OIG conducts performance, financial, and contract audits. Performance audits focus on NRC administrative and program operations and evaluate the effectiveness and efficiency with which managerial responsibilities are carried out and whether the programs achieve intended results. Financial audits provide an audit opinion on NRC's financial statements and evaluate financial programs. Contract audits evaluate the cost of goods and services procured by NRC from commercial enterprises. In addition, the audit staff prepares evaluation reports that present OIG perspectives or information on specific topics.

The audit unit focuses on NRC's safety and security mission-related areas as well as the effective and efficient use of agency resources.

Investigations

OIG's investigative staff carries out its mission by performing investigations relating to the integrity of NRC's programs and operations. Most OIG investigations focus on allegations of fraud, waste, and abuse and violations of law or misconduct by NRC employees and contractors. Additionally, OIG investigates allegations of irregularities or abuses in NRC programs and operations with special emphasis on those NRC activities that impact public health and safety. Periodically, the investigative staff issues Event Inquiry Reports that document OIG's examination of events or agency regulatory actions and identify staff actions that may have contributed to the occurrence of an event. OIG also issues Special Inquiry Reports that document instances where inadequacies in NRC regulatory oversight may have resulted in a potential adverse impact on public health and safety.

The investigative unit, on a priority basis, directs its current resources to address allegations in the safety, security, and corporate management mission-related areas.

SECTION 2 – SITUATIONAL ASSESSMENT

STRATEGIC CHALLENGES FACING NRC

Since the last OIG strategic plan was published, the landscape within which NRC operates has changed significantly. Currently, the most significant issues facing NRC are (1) licensing of new nuclear power facilities, and (2) continuing emphasis on integrating safety and security issues within the regulatory environment.

OIG's characterization of these issues as significant was based on audit and investigative work conducted by staff and our continuous effort to monitor issues and trends faced by NRC as they emerge and evolve. OIG categorized the issues as (1) crosscutting safety and security challenges, (2) safety challenges, (3) security challenges, and (4) corporate management challenges. The following articulation of these challenges constitutes OIG's "situational assessment." This assessment, viewed from the perspective of OIG's three strategic goals, serves as the basis for the office's FYs 2008-2013 strategies and actions as described in Section 3 of this document. OIG staff identified these challenges facing NRC as posing significant risks for NRC in that failure to address them adequately will impair the agency's ability to accomplish its mission.

Crosscutting Safety and Security Challenges

- ❑ Regulatory Oversight Issues
 - NRC faces a challenge of balancing its oversight of new facility construction with the ongoing operation of both major fuel cycle facilities and operating reactors. This includes the oversight of vendor and licensee engineering activities as well as onsite construction and major component fabrication. In addition, obtaining funds for new research independent of industry will also be a challenge in the current environment.
 - NRC faces a challenge of implementing a more risk-informed and performance-based framework to effectively identify and prioritize nuclear safety and security challenges. Successful implementation of the risk-informed approach is critical for ensuring that NRC resources are focused on the most significant safety and security issues.

- NRC faces a challenge as it continues to work on reducing unnecessary regulatory burden on its licensees while maintaining its independence, working more effectively with Agreement States in implementing the National Materials Program, conducting an effective and efficient research program, and maintaining current risk information in the regulatory oversight process.
 - NRC is challenged to proactively assess aging and obsolescence issues for the fleet of current reactors. This is the first generation of large power reactors; therefore, the aging effects may not be fully understood at this time. Conducting research as needed, independent of industry efforts to proactively assess aging issues, must compete for funding against other ongoing efforts.
- ☐ Agreement State Issues
- There are issues relating to the increasing number of Agreement States and the subsequent decrease in the number of licensed users that NRC directly regulates. For example, NRC is challenged with ensuring the effective regulation of materials in an environment where the majority of materials licensees are in Agreement States.
- ☐ Public Confidence Issues
- NRC recognizes the need to strengthen public confidence to help ensure the agency's credibility as an independent regulator. NRC is challenged to increase public participation in its regulatory processes, enhance the public's understanding of NRC's role and of controversial issues, and foster an environment both internally and externally where safety issues can be raised without fear of retribution. Especially noteworthy are the significant challenges facing NRC that are associated with the control and accountability of nuclear source and byproduct material that could be used for malevolent purposes.
 - NRC faces a challenge, both real and perceived, to balance the public's need for information to allow its involvement in the regulatory process and, at the same time, to protect all information that has a potential to impact the security and safety of nuclear power plants, research and test reactors, and other NRC-regulated facilities.

Safety Challenges

□ Licensing Issues

- NRC faces challenges in processing license applications for new reactor facilities. NRC has recently received its first round of new reactor license applications after not having received any since 1978. The challenge is to provide a timely review while ensuring such review is thorough, effective, and transparent.
- NRC faces the workload challenge of managing new reactor applications along with other major licensing actions, such as license renewal and power uprates. The resource demands of major licensing actions coincide with the retirement of many senior staff who have decades of experience with reactor licensing, including initial reactor licensing.
- NRC faces challenges in identifying and implementing lessons learned during the licensing and construction of the current generation of reactors. NRC will be challenged to have a methodology to incorporate the lessons learned into the new licensing and construction process.
- NRC licenses five types of fuel cycle facilities for the processing and milling of uranium through its enrichment and fabrication into nuclear fuel used for nuclear power plants. Due to the nuclear renaissance, NRC likely will face an increase in processing license applications for new fuel cycle facilities, some of which include new technologies.
- NRC must provide a high degree of assurance through its license application and review process that only legitimate entities, to include certificate holders, receive NRC byproduct material licenses. Individuals with malicious intentions could exploit vulnerabilities in the license application and review process to obtain byproduct material for malevolent uses.

□ Radiological Waste

- A highly controversial issue involves certain aspects of the transportation and safe storage of high-level waste, licensing of the proposed repository at Yucca Mountain in Nevada and interagency coordination (e.g., among Department of Energy [DOE], Department of Transportation, and the Environmental Protection Agency). An escalating issue is the interim storage of spent nuclear fuel both at and away from reactor sites until Yucca Mountain opens. In addition, NRC

faces the challenge of balancing priorities to maintain its ability to review the Yucca Mountain license application from DOE.

- Although the amount of low-level waste continues to grow, no new disposal facilities have been built since the 1980s and unresolved issues continue regarding the closure of the facilities currently in operation.

Security Challenges

- ❑ **Evolving Threats to Licensees**
 - NRC continues to face a number of challenges in ensuring the public is protected from improper use of nuclear materials and technology. Thus NRC, in concert with other agencies, must maintain a comprehensive assessment of threats and effectively integrate security considerations into its regulatory process. NRC must also ensure that security is adequately incorporated into the design and construction of new facilities.
- ❑ **Emergency Preparedness and Incident Response**
 - In light of the worldwide terrorist threat, natural disasters, and the expanding populations around nuclear power plants, NRC's role in supporting emergency preparedness and incident response within the nuclear industry and State and local governments has become more critical.
- ❑ **NRC's Security Threats**
 - NRC must protect its infrastructure and ensure its facilities, computers, people, and competency are adequately protected against emerging threats while providing for continuity of operations.
- ❑ **Support U.S. Non-Proliferation Goals**
 - NRC faces new challenges in supporting United States international interests in the safe and secure use of nuclear material and technology and in nuclear non-proliferation. These challenges include improving controls on the import and export of nuclear materials and equipment and NRC successfully exercising its international oversight commitments such as helping foreign regulators boost their efforts for controlling radioactive sources.

Corporate Management Challenges

- ❑ Crosscutting Corporate Management
 - Over the next few years, the agency will need to balance workloads and priorities to support new reactor licensing efforts. This will create tremendous pressure on all corporate management areas, including human resources management, information technology (IT), and financial management.
- ❑ Human Capital
 - Balancing new and current workload coincides with the expected retirement of inspectors and other senior staff members experienced in construction and operational oversight creating significant human capital risk for the NRC.
- ❑ Information Management and Security
 - NRC recently acknowledged that its information technology capabilities have fallen behind and must be upgraded and improved to support the increased staffing and to provide state-of-the-art tools to NRC staff. NRC faces a significant challenge to put in place efficient and effective security controls to protect NRC's IT systems and information consistent with Federal Information Security Management Act; Privacy Act; and personally identifiable information requirements.
- ❑ Internal NRC Security
 - NRC must protect its infrastructure, information, and personnel in an increasingly dangerous world. Federal requirements are making increasingly heavy demands on NRC to meet minimum security standards. At the same time, much of the infrastructure is becoming more complex and difficult to secure.
- ❑ Financial Management
 - NRC must continue to improve its management and control over financial resources. As required by statute, OIG will continue to evaluate financial management practices and work with NRC to identify and improve weaknesses. NRC submitted a business case that recommended the replacement of five obsolete, overly complex, and inefficient financial systems with a single integrated core financial system.

❑ NRC Change Management

- NRC is confronted with many challenges as it adjusts to a changing external environment. Although a number of organizational changes have been implemented in recent years, more changes will take place over the strategic timeframe.

These strategic challenges were used to formulate the NRC-OIG goals and strategies presented in Section 3 of this strategic plan. Section 3 also presents OIG's general strategies and actions for achieving them.

To focus OIG program activities each year, OIG prepares an annual plan that has an audit and investigative component and links to the OIG Strategic Plan. This annual plan, which is distributed to the Congress and NRC management, identifies specific NRC program areas and priorities, strategies, and actions on which OIG audit resources will be focused. The annual plan also describes specific investigative priorities and goals and identifies particular agency programs and operations that are of special interest to the investigative unit. The OIG investigations program also prepares a detailed internal plan that is not publicly available.

SECTION 3 – GOALS AND STRATEGIES

Strategic Goal 1

Strengthen NRC's efforts to protect public health and safety and the environment.

Discussion: NRC faces many safety challenges and an associated increased workload in the coming years related to nuclear reactor oversight, the regulation of nuclear materials, and the handling of nuclear waste.

A significant concern for NRC is regulating the safe operation of the Nation's nuclear power plants through an established oversight process developed to verify that licensees identify and resolve safety issues before they adversely affect safe plant operation.

In addition, NRC must address an increasing number of license amendment requests to increase the power generating capacity of specific commercial reactors, license renewal requests to extend reactor operations beyond originally set expiration dates, and the introduction of new technology such as new and advanced reactor designs.

In fulfilling its responsibilities to regulate nuclear materials, NRC must ensure that its regulatory activities regarding nuclear fuel cycle facilities and nuclear materials adequately protect public health and safety. NRC's regulatory activities concerning nuclear materials must protect against radiological sabotage and theft or diversion of these materials. Further, licensing of facilities (e.g., fuel fabrication) with new technologies poses additional challenges.

The handling of nuclear waste includes both low-level and high-level waste. Low-level waste includes items that have become contaminated with radioactive materials or have become radioactive through exposure to neutron radiation. Low-level waste disposal occurs at commercially operated low-level waste disposal facilities that must be licensed by either NRC or Agreement States. However, no new disposal facilities have been built since the 1980s and unresolved issues continue regarding the closures of the disposal facilities.

High-level radioactive waste is primarily in the form of spent fuel discharged from commercial nuclear power reactors. In the high-level waste area, NRC faces significant issues involving the potential licensing of the Yucca Mountain repository and certain aspects of the transportation of designated high-level waste from plants and facilities. Additional high-level waste issues include the interim storage of spent nuclear fuel both

at and away from reactor sites, certification of storage and transport casks, and the oversight of the decommissioning of reactors and other nuclear sites. Further, DOE and the industry will need contingency plans if the repository is not licensed or not available as scheduled, and NRC will need to be able to respond to those plans.

Strategy 1-1: Identify risk areas associated with NRC's Reactor Oversight Process and make recommendations, as warranted, for addressing them.

Actions:

- a. Assess the adequacy of NRC's licensing and other oversight activities with regard to the safe operation of existing nuclear reactors.
- b. Assess the extent and effectiveness of NRC's emergency preparedness and incident response in relation to design basis and beyond design basis events.
- c. Assess NRC's implementation of its risk-informed approach to licensing and regulatory oversight.
- d. Assess the impact that an increase in license renewal and power uprate requests would have on the licensing process.
- e. Assess the effectiveness of the NRC regulatory process and related enforcement actions.
- f. Assess NRC's actions to identify and address the potential risks associated with aging facilities and with the introduction of new technology.
- g. Monitor NRC activities and gather stakeholder information to identify potential gaps in NRC regulatory oversight. Conduct, as appropriate, investigations and event inquiries when gaps are identified.
- h. Assess NRC's actions to identify and address the potential risks associated with the introduction of new technology into currently operating facilities.

Strategy 1-2: Identify risk areas associated with NRC efforts to (1) prepare for and manage the review of applications for new power reactors, and (2) oversee construction of new power reactors to verify that they are built in conformance with approved designs and in compliance with approved construction standards and make recommendations, as warranted, for addressing the risks.

Actions:

- a. Assess the extent to which NRC has examined the history of the licensing and construction of the first generation of plants and has developed a methodology to incorporate the lessons learned into the new licensing and construction process to include the design certification process.
- b. Assess the adequacy of NRC's application acceptance, review process, and approval standards.
- c. Assess the adequacy of NRC's development of a construction inspection program.
- d. Assess the adequacy of NRC's development of a rigorous quality assurance oversight program.
- e. Assess the environmental review process associated with new site construction to ensure that NRC carries out its responsibilities.
- f. Assess NRC's actions to address stakeholder's concerns over potential gaps in NRC oversight of new construction.
- g. Assess NRC oversight of vendor material used in the construction of new reactor plants.
- h. Assess NRC's integration of operating experience, generic safety issues and introduction of new technologies (e.g., digital products) into new reactor licensing.
- i. As appropriate, conduct investigations and event inquiries when irregularities are identified.

Strategy 1-3: Identify risk areas facing the materials programs and make recommendations, as warranted, for addressing them.

Actions:

- a. Assess NRC's implementation of programs for controlling, accounting for, tracking, and inspecting nuclear materials.
- b. Assess the extent to which NRC has integrated into the materials program its emergency preparedness and incident response obligations associated with a potential significant nuclear event or incident.
- c. Assess NRC activities concerning the licensing, oversight, and aging effects of fuel cycle facilities.

- d. Assess NRC's handling of low-level waste issues, including security and disposal.
- e. Assess impact of the Agreement State program on the safety and security of materials and on NRC regulatory activities.
- f. Review NRC and licensee reports and engage interested stakeholders to identify issues of concern in NRC oversight of nuclear material held by NRC licensees.
- g. Assess NRC's oversight of nuclear waste issues associated with the decommissioning and cleanup of nuclear reactor sites and other facilities.
- h. Through proactive initiatives, determine if material licensees have exceeded their license authorities and whether the NRC has failed to provide effective oversight.

Strategy 1-4: Identify risk areas associated with low-level waste and the prospective licensing of the high-level waste repository and make recommendations, as warranted, for addressing them.

Actions:

- a. Assess the key issues affecting the safe management of civilian low-level waste disposal, including the availability of low-level radioactive waste disposal sites.
- b. Assess NRC's regulatory activities involving the interim storage of high-level waste and spent fuel both at and away from reactor sites.
- c. Assess the adequacy of NRC's planned response if Yucca Mountain is not licensed or available as currently scheduled, including NRC's ability to respond to DOE and industry contingency plans.
- d. Assess issues involving the review of the Yucca Mountain repository application, and certain aspects of the transportation of designated high-level waste from plants and facilities.
- e. As appropriate, conduct investigations and event inquiries to determine NRC's efforts in addressing stakeholders concerns regarding low-level and high-level waste storage issues.

Strategic Goal 2

Enhance NRC's efforts to increase security in response to an evolving threat environment.

Discussion: NRC continues to face a number of challenges in ensuring the public is protected from improper use of nuclear materials and technology.

NRC, in concert with other agencies, must maintain a comprehensive assessment of threats and effectively integrate security considerations into its regulatory process. NRC must also ensure that security is adequately incorporated into the design and construction of new facilities.

In light of terrorist threats, natural disasters, and expanding populations around nuclear power plants, NRC plays a critical role in supporting emergency preparedness and incident response within the nuclear industry and State and local governments.

NRC must protect its infrastructure and ensure that its facilities, computers, people, and competencies are adequately protected against emerging threats while providing for continuity of operations.

NRC faces new challenges in supporting United States international interests in the safe and secure use of nuclear material and technology and in nuclear non-proliferation. These challenges include improving controls on the import and export of nuclear materials and equipment and NRC's successful exercising of its international oversight commitments such as helping foreign regulators boost their efforts for controlling radioactive sources.

Strategy 2-1: Identify risk areas involved in effectively securing both operating and proposed nuclear power plants, nuclear fuel cycle facilities, and nuclear materials and make recommendations, as warranted, for addressing them.

Actions:

- a. Assess the adequacy of NRC's oversight activities with regard to the security of nuclear materials and facilities.
- b. Assess the comprehensiveness of NRC's threat assessment and the process for keeping it up to date.
- c. Assess the adequacy of regulations to respond to an evolving threat environment and the extent to which NRC is making appropriate adjustments.
- d. Assess NRC's coordination with other agencies.

- e. Assess NRC's acquisition of resources and expertise to meet its security responsibilities.
- f. Monitor the development of NRC requirements to enhance nuclear security in response to an evolving threat environment.
- g. Where appropriate, conduct investigations and event inquiries designed to address NRC's efforts in providing oversight of licensee responsibilities.

Strategy 2-2: Identify risks associated with Emergency Preparedness and make recommendations, as warranted, for addressing them.

Actions:

- a. Assess NRC's management of Emergency Preparedness guidelines, regulations, and programs.
- b. Assess NRC's ability to provide internal technical expertise on Emergency Preparedness issues and perform regulatory reviews of Emergency Preparedness applications and amendments.
- c. Assess NRC's performance of technical reviews of Emergency Preparedness applications and amendments.
- d. Assess NRC's management of the coordination with Federal, State, and local governments and licensees.

Strategy 2-3: Identify challenges involved in responding to incidents and make recommendations, as warranted, for addressing them.

Actions:

- a. Assess NRC's efforts to prepare for responding to nuclear incidents including training, system reliability and interoperability, personnel availability, and response team organization and coordination.
- b. Assess the integration and coordination of NRC's efforts with other agencies at all levels.

Strategy 2-4: Identify evolving threats to NRC security and make recommendations, as warranted, for addressing them.

Actions:

- a. Assess how well NRC maintains a comprehensive threat assessment for its facilities and personnel.

- b. Assess the extent to which NRC effectively implements physical and information security controls and procedures.
- c. Assess how NRC balances security with public openness.
- d. Assess NRC's protection of the NRC IT infrastructure against internal and external threats.
- e. Assess NRC's continuity of operations planning in the event of an emergency.
- f. As appropriate, conduct investigations into internal and external cyber breaches of NRC's IT infrastructure.

Strategy 2-5: Identify risks associated with nonproliferation of nuclear material and nuclear technology and make recommendations, as warranted, for addressing them.

Actions:

- a. Assess NRC's management of controls on the import and export of nuclear materials and address nuclear technology transfer issues.
- b. Assess NRC's responsibilities linked to established statutes, international treaties, conventions, and cooperative agreements.
- c. Through proactive initiatives and, if appropriate, reactive investigations, identify potential shortcomings in NRC's actions to provide oversight of nuclear materials importation and exportation programs.

Strategic Goal 3

Increase the economy, efficiency, and effectiveness with which NRC manages and exercises stewardship over its resources.

Discussion: NRC faces significant challenges to efficiently, effectively, and economically manage its resources. Although a number of organizational changes have been implemented in recent years, more changes will occur over the strategic timeframe.

Over the next few years, the agency will need to balance workloads and priorities to support new reactor licensing efforts. This will create tremendous pressure on all program management areas, including human resources management, information technology, and financial management.

In addition, NRC needs to continue to improve its management and control over financial and other resources. As required by statute, OIG will continue to evaluate financial management practices and work with NRC to identify and improve weaknesses. The agency also needs to upgrade its information technology capabilities to provide state-of-the-art tools to NRC staff.

Strategy 3-1: Identify areas of corporate management risk within NRC and make recommendations, as warranted, for addressing them.

Actions:

- a. Assess NRC's management of human capital.
- b. Assess NRC's financial management practices.
- c. Provide reasonable assurance that NRC's financial statements are presented fairly in all material aspects.
- d. Assess NRC's implementation of Governmentwide and agency information technology initiatives, including the security of agency technology and information.
- e. Assess NRC's management of other administrative functions (e.g., contracts, property, facilities).
- f. Examine allegations of misuse pertaining to NRC's corporate management resources to include personnel, procurement, financial, and information technology.

- g. Investigate instances of alleged misconduct associated with NRC corporate management resources and programs.
- h. Reduce instances of employee criminal and administrative misconduct through investigations or proactive initiatives.

SECTION 4 – RELATIONSHIP BETWEEN OIG’S ANNUAL PLAN AND STRATEGIC PLAN

The NRC-OIG Strategic Plan for FYs 2008-2013 provides the framework for the work that OIG plans to undertake over the next 5 years. The Strategic Plan identifies specific program areas that OIG considers high-risk agency challenges. From within this framework, OIG will plan its annual audit and proactive investigative work to advance the agency's efforts in meeting its specific program goals. The annual plans will derive their direction from the Strategic Plan and will identify the specific activities and accomplishments to be performed within a year that directly contribute to the successful fulfillment of OIG's three strategic goals.

SECTION 5 – HOW WE MEASURE OUR PERFORMANCE

Measuring our performance is a vital component of our overall operation, and is incorporated into the audits and investigations we conduct, as well as our other everyday activities and processes. While our Strategic Plan presents our long-term goals and framework for action, our Annual Plan details the specific work to be performed within a given year.

In general, we measure our performance by assessing whether the majority of our work (1) identifies critical risk areas or management challenges relating to the improvement of NRC's safety, security, and/or corporate management programs; (2) has a high impact on improving NRC's safety, security, and/or corporate management programs; (3) results in audit recommendations agreed to by the NRC; (4) results in final agency action regarding our audit recommendations; (5) results in an agency action in response to our investigative reports; (6) is timely; and (7) results in accepted Program Fraud Civil Remedies Act cases.

SECTION 6 – FACTORS AFFECTING GOAL ACHIEVEMENT

To be effective, OIG must be responsive to a dynamic and changing external environment that may require OIG to redirect its focus and resources. For example, while performing activities in the annual plans and working to achieve our strategic goals, OIG will also be responding to unforeseen requests from the Congress, the NRC Commission, and the American public. As a result of external allegations or requests over the past several years, OIG conducted unplanned audits and investigative event inquiries. While OIG will prioritize these requests as necessary, these unanticipated demands may take precedence over the goals and strategies presented in the Strategic Plan.

SECTION 7 – PROGRAM EVALUATIONS

Program evaluations were not used to update this strategic plan. Rather, the Inspector General Act, as amended, requires the independent review of all audit programs within the Offices of Inspector General as well as investigative programs with statutory law enforcement authority.

Accordingly, the NRC-OIG audit program undergoes an independent peer review conducted by a similar sized Federal OIG every 3 years to ensure that internal quality controls are in place and operating, and to determine whether established audit standards policies and procedures are being followed. The NRC-OIG investigative program has statutory law enforcement authority, and therefore is also subject to independent reviews. Similarly, these reviews are conducted every 3 years to determine whether adequate internal safeguards and management procedures exist to ensure that the law enforcement powers are properly exercised. Both the audit and investigative programs continue to receive favorable reviews by these independent evaluators.

To provide additional assurances in the interim years, the NRC-OIG employs independent consultants to review both the audit and investigative programs to ensure that the programs are operating in accordance with applicable standards, safeguards and procedures.