

April 27, 2007

MEMORANDUM TO: Stephen D. Dingbaum  
Assistant Inspector General for Audits  
Office of the Inspector General

FROM: Roy P. Zimmerman, Director  
Office of Nuclear Security and Incident Response

SUBJECT: STATUS OF RECOMMENDATIONS 1, 3, 4, 6, 7 AND 8 RELATED TO  
THE AUDIT OF NRC'S BASELINE SECURITY AND SAFEGUARDS  
INSPECTION PROGRAM (OIG-06-A-21)

On December 22, 2006, in your memorandum to the EDO, you requested an update on the status of recommendations 1, 3, 4, 6, 7 and 8 of the subject Office of the Inspector General's audit of the U.S. Nuclear Regulatory Commission's (NRC) baseline security and safeguards inspection program. The Office of Nuclear Security and Incident Response has continued to make improvements in the NRC's Baseline Security and Safeguards Inspection Program as previously discussed. The updated status of these recommendations is enclosed.

Enclosure: Recommendation Updates

cc: V. Ordaz, OEDO  
M. Malloy, OEDO  
P. Tressler, OEDO

CONTACT: Ralph Costello, NSIR/DSO  
301-415-6821

**Status of Recommendations of OIG-06-A-21**  
**“Audit of NRC’s Baseline Security and Safeguards Inspection Program”**

**Recommendation 1**

Provide the required initial and refresher security training courses for regional security inspectors at the frequency needed to support qualification requirements.

**Status**

In a memorandum dated January 25, 2007, “Status of Recommendations 1 and 4, Related to the Audit of NRC’s Baseline Security and Safeguards Inspection Program (OIG-06-A-21)” you were provided the specific Office of Nuclear Security and Incident Response (NSIR) staff plan and schedule for improving and providing initial and refresher security training for security inspectors. NSIR staff, the Office of Human Resources Training and Development (HRTD), and the regions made the following progress on phase one:

- The enabling objectives and curriculum outlines for the modules of the Security Fundamentals Course are being developed and are under review by NSIR, HRTD, and the regions.
- The Reactor Systems & Security Course (R105) lesson plan has been drafted and is under review. Technical Training Center (TTC) instructors have attended force-on-force exercises and the Safeguards Information (SGI) portions of these lesson plans are under development. The pilot course is tentatively being planned for the Summer of 2007.
- In advance of development and deployment of the SGI portions of the security curriculum, TTC staff have worked extensively to develop and implement a security plan for use and handling of SGI at the TTC. Heretofore, SGI has never been present at the TTC.
- The Introduction to Physical Security Systems and Principles Course is discussed in Recommendation 3, below.
- A 3-day Annual Security Refresher Course was conducted November 6th through 8th, 2006 in Region I for regional security inspectors from all four regions. This course is now listed in the NRC course catalog.

Staff from NSIR, HRTD, and the regions, made the following progress on phase two:

- The enabling objectives and curriculum outlines for the remaining four modules of the advanced security field courses have been drafted and are under review by NSIR and the regions. Due to the lack of U.S. Nuclear Regulatory Commission (NRC) equipment and facilities to support these modules, a study is underway by NSIR and HRTD to determine if outside federal agencies can provide these resources and/or specialized training.

Enclosure

**Recommendation 3**

Develop and provide a security training program for non-security personnel with security oversight responsibilities.

**Status**

During the 1<sup>st</sup> quarter of fiscal year (FY) 2007, NSIR staff developed and presented four pilot sessions of the Introduction to Physical Security Systems and Principles Course which involved the following subjects:

- Fundamentals of physical protection systems
- NRC security inspection manual chapters (IMC), orders, and regulatory guides.

This training resulted in 176 regional, non-security personnel receiving this initial security training. HRTD staff plan to incorporate the training into the overall NRC training program and document the training in student records. In 2<sup>nd</sup> quarter CY 2007 NSIR will provide refresher security training to two Regions which would like this service. Additionally, NSIR staff have provided introductory security training to new employees in Headquarters. This course is now listed in the NRC course catalog. This implements and completes Recommendation 3.

**Recommendation 4**

Update the security inspector training program to ensure course material is current and relevant.

**Status**

Revisions of the training requirements in IMC 1245, Appendix C4, "Safeguards Inspector Technical Proficiency Training and Qualification Journal, and NSIR Office Procedure ADM -109, "Training, Development and Qualification Programs" are under development by HRTD and NSIR staff. As the courses discussed in Recommendation 1 are finalized and published in the NRC Training Catalog, so too, will IMC 1245 and ADM-109 be changed to reflect changes incorporated in the NRC training catalog.

**Recommendation 6**

Include guidance in the baseline security and safeguards inspection procedures to ensure inspectors review an adequate number of sample items to assess the effectiveness of the licensee's security program.

**Status**

The baseline inspection procedures and guidance are currently under review to assess the sampling process. Final changes and revisions to the baseline inspection procedures, to refine the sampling process, are on schedule for the 4<sup>th</sup> quarter of FY 2008.

**Recommendation 7**

Implement training on how to select an adequate number of sample items.

**Status**

Module 4 of the Security Fundamentals Course, "Security Plans and Requirements," will provide a standardized methodology in determining sampling techniques. The methodology will be incorporated in future sessions of the Security Refresher Course after revisions are made to the baseline inspection procedures.

**Recommendation 8**

Maintain and share the NSIR database of security findings with regions. At this point, the database is not updated.

**Status**

In August 2006 an updated version of the Security Findings Review Panel (SFRP) database was created. Since its completion, all data from the 4<sup>th</sup> quarter of calendar year (CY) 2005 to the present has been entered into the database. After a review, several upgrades and improvements were recommended and implemented and are now nearing completion. Data entry of SFRP worksheets prior to the 4<sup>th</sup> quarter of CY 2005 is ongoing with a proposed completion time frame of the 3<sup>rd</sup> quarter of CY 2007. The database is currently being used to provide historical data to NSIR management and regional inspectors on an as needed basis. Once the database is completed, a historical report will be provided to regional inspectors on a monthly basis.

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