

May 16, 2007

MEMORANDUM TO: Luis A. Reyes  
Executive Director for Operations

FROM: Stephen D. Dingbaum **/RA/**  
Assistant Inspector General for Audits

SUBJECT: STATUS OF RECOMMENDATIONS: REVIEW OF  
NRC'S BASELINE SECURITY AND SAFEGUARDS  
INSPECTION PROGRAM (OIG-06-A-21)

REFERENCE: DIRECTOR, OFFICE OF NUCLEAR SECURITY AND  
INCIDENT RESPONSE, MEMORANDUM DATED  
APRIL 27, 2007

Attached is the Office of the Inspector General analysis of recommendations as discussed in the agency's response dated April 27, 2007. Based on this response, recommendations 1, 4, 6, 7, and 8 remain resolved; and recommendation 3 is closed. Recommendations 2 and 5 were previously closed. Please provide an update on the status of these recommendations by November 30, 2007.

If you have any questions or concerns, please call me at 415-5915.

Attachment: As stated

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

**Audit Report**  
**Audit of NRC's Baseline Security and Safeguards Inspection Program**  
**OIG-06-A-21**

**Status of Recommendations**

Recommendation 1: Provide the required initial and refresher security training courses for regional security inspectors at the frequency needed to support qualification requirements.

Response dated  
April 27, 2007:

Phase one will be to develop the foundation security courses with delivery by FY 2008. Progress for phase one includes developing the Security Fundamentals Course and the Reactor Systems & Security Course. They are both under review. A three day Annual Security Refresher Course was conducted on 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.

Phase two progress includes drafting the remaining four modules of the advanced security field courses. NSIR and the regions are reviewing them. NSIR is also doing a study to determine if outside federal agencies can provide these resources and/or specialized training.

OIG Analysis: The proposed corrective action addresses the intent of this recommendation. This recommendation will be closed when NSIR provides OIG with documentation to verify that NSIR is providing the required initial security training and qualification courses for regional security inspectors.

**Status:** Resolved.

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**Status of Recommendations**

<u>Recommendation 3:</u>	Develop and provide a security training program for non-security personnel with security oversight responsibilities.
Response dated April 27, 2007:	During the first quarter of FY 2007, NSIR staff developed and presented four pilot sessions of the Introduction to Physical Security Systems and Principles Course. The training resulted in 176 regional non-security personnel receiving this initial security training. The Office of Human Resources Training and Development (HRTD) staff plan to incorporate the training into the overall NRC training program and document the training in student records. In the 2nd quarter CY 2007 NSIR staff 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.
OIG Analysis:	The corrective action addresses the intent of this recommendation. This recommendation is closed as the course is now listed in the NRC course catalog and the initial training is completed.
<b>Status:</b>	Closed.

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**Status of Recommendations**

Recommendation 4: Update the security inspector training program to ensure course material is current and relevant.

Response dated  
April 27, 2007:

Revisions of the training requirements in MC 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 MC 1245 and ADM-109 be changed to reflect changes incorporated in the NRC training catalog.

OIG Analysis:

The corrective action addresses the intent of this recommendation. This recommendation will be closed when NSIR provides OIG with documentation to verify that NSIR has updated the security inspector training to include current and relevant course material.

**Status:**

Resolved.

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**Status of Recommendations**

<u>Recommendation 6:</u>	Update the security inspector training program to ensure course material is current and relevant.
Response dated April 27, 2007:	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 4th quarter of FY 2008.
OIG Analysis:	The corrective action addresses the intent of this recommendation. This recommendation will be closed when NSIR provides OIG with documentation to verify that NSIR has updated the security inspector training to include current and relevant course material.
<b>Status:</b>	Resolved.

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**Status of Recommendations**

<u>Recommendation 7:</u>	Implement training on how to select an adequate number of sample items.
Response dated April 27, 2007:	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.
OIG Analysis:	The corrective action addresses the intent of this recommendation. This recommendation will be closed when NSIR provides OIG with documentation to verify that NSIR has updated the security inspector training to include the standardized methodology.
<b>Status:</b>	Resolved.

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**Status of Recommendations**

<u>Recommendation 8:</u>	Maintain and share the NSIR database of security findings with the regions.
Response dated April 27, 2007:	In August 2006 an updated version of the Security Findings Review Panel (SFRP) database was created. Since its completion, all data from the 4th quarter of calendar year (CY) 2005 to 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 4th quarter of calendar year 2005 is ongoing with a proposed completion time frame of the 3rd 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.
OIG Analysis:	The corrective action addresses the intent of this recommendation. This recommendation will be closed when NSIR provides OIG with documentation showing that the database is updated and is being sent to the regions for review.
<b>Status:</b>	Resolved.