

March 25, 2008

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 MARCH 3,
2008

Attached is the Office of the Inspector General's analysis of recommendations 1, 4, 6, and 7 as discussed in the agency's response dated March 3, 2008. Based on this response, recommendations 1, 4, 6, and 7 continue to remain resolved. Recommendations 2, 3, 5, and 8 were previously closed. Please provide an update on the resolved recommendations by August 4, 2008.

If you have any questions or concerns, please call me at 415-5915 or Beth Serepca at 415-5911.

Attachment: As stated

cc: V. Ordaz, OEDO
J. Arlidsen, 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
March 3, 2008:

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) staff, and the regions have made the following progress on phase one:

- A new course (*Advanced Intrusion Detection Systems Course*) was identified as required to enhance the overall curriculum. This course was developed with Sandia National Laboratory (SNL) in 2007, and piloted in July 2007. The course was determined by participants to be a good product that would satisfy inspector needs. Enhancements based on insights gained in the pilot are being made by HRTD. This course is planned to be listed in the NRC course catalog in 2008.

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Status of Recommendations

- The enabling objectives, curriculum outlines, and presentations for the modules of the *Security Fundamentals Course* are under development and review by NSIR, HRTD, and the regions. The pilot course has been tentatively scheduled for the third quarter of calendar year (CY) 2008.
- The *Reactor Systems & Security Course* (R105) was developed in 2007 and piloted in June 2007. The course was determined by participants to be a good product that would satisfy inspector needs. Enhancements based on insights gained in the pilot are being made by HRTD. This course is planned to be listed in the NRC course catalog in 2008.
- The *Introduction to Physical Security Systems and Principles Course* has been developed, presented, and is listed in the NRC course catalog.
- An annual *Security Refresher Course* was conducted in November 2006 and November 2007. This course is listed in the NRC course catalog.

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Status of Recommendations

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

- The *Blast Analysis Course and Breaching Course* have been combined for efficiency. HRTD staff have preliminarily coordinated work on this course with SNL. These courses are still on schedule for development in 2008.
- The enabling objectives and curriculum outlines for the remaining modules of the advanced security field courses have been drafted and are under review by NSIR and the regions. Because the NRC does not have the equipment and facilities to support these modules, HRTD staff is working with SNL in development of these modules. These courses are still on schedule for development in 2008.
- HRTD staff continue to make progress on development efforts. The HRTD Program Manager was on an extended absence for over 3 months and has recently returned from recuperation. As a result, the schedule for course development has been changed from fiscal year 2008 to CY 2008.

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Status of Recommendations

OIG Analysis: The described actions address the intent of the recommendation. This recommendation will be closed when OIG verifies that all actions have been completed.

Status: Resolved.

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Status of Recommendations

<u>Recommendation 4:</u>	Update the security inspector training program to ensure course material is current and relevant.
Response Dated March 3, 2008:	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.
OIG Analysis:	The described actions address the intent of the recommendation. This recommendation will be closed when OIG verifies that the security inspector training program is updated.
Status:	Resolved.

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Status of Recommendations

<u>Recommendation 6:</u>	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.
Response Dated March 3, 2008:	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 3rd quarter of CY 2008.
OIG Analysis:	The described actions address the intent of the recommendation. This recommendation will be closed when OIG verifies that the revised baseline inspection procedures and guidance regarding the inspection sampling process have been reviewed and implemented.
Status:	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 March 3, 2008:	Module 4 of the Security Fundamentals course, "Security Plans and Requirements," will provide a standardized methodology in determining sampling techniques. An overview of this methodology has been presented at the recent annual Security Refresher course in November 2007. As noted in the Status of Recommendation 1, the pilot course is scheduled for CY 2008.
OIG Analysis:	The described actions address the intent of the recommendation. This recommendation will be closed when OIG verifies that a training course regarding sampling methodology has been developed and implemented.
Status:	Resolved.