



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

**OFFICE OF THE
INSPECTOR GENERAL**

January 25, 2011

MEMORANDUM TO: R. William Borchardt
Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S
MATERIAL CONTROL AND ACCOUNTING SECURITY
MEASURES FOR SPECIAL NUCLEAR MATERIALS AT
FUEL CYCLE FACILITIES (OIG-09-A-19)

REFERENCE: DIRECTOR, OFFICE OF NUCLEAR MATERIAL SAFETY
AND SAFEGUARDS, MEMORANDUM DATED
DECEMBER 28, 2010

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the agency's response dated December 28, 2010. Based on this response, recommendations 1 and 2 are closed. All recommendations related to this report are now closed.

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

Attachment: As stated

cc: M. Muessle, OEDO
J. Andersen, OEDO
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Audit Report

AUDIT OF NRC'S MATERIAL CONTROL AND ACCOUNTING SECURITY MEASURES FOR SPECIAL NUCLEAR MATERIALS AT FUEL CYCLE FACILITIES

OIG-09-A-19

Status of Recommendations

Recommendation 1: Review and revise MC&A procedures as required by NMSS Policy and Procedures Letter 1-76.

Agency Response Dated
December 28, 2010: The update of the Category I and III inspection procedures was completed in December 2010.

As previously stated in the June 24, 2010, memorandum, the revision of the Category II inspection procedures has no impact on the current NMSS MC&A inspection program activities or effectiveness, in that there are no Category II facilities to which these procedures currently apply. Therefore, NMSS will wait for the completion of the current Part 74 rulemaking activities before determining whether to expend resources updating the Category II inspection procedures unless there are significant delays in the rulemaking and a license application for a Category II is received. No additional actions are planned for this recommendation.

OIG Analysis: OIG understands that Category II inspection procedures cannot be revised at this time. OIG received documentation regarding the Category I and III MC&A inspection procedures and determined that the Category I and III MC&A procedures were revised. This recommendation is therefore closed.

Status: Closed.

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Status of Recommendations

Recommendation 2: Establish an alternative to DOE-sponsored MC&A inspector training to be used as needed.

Agency Response Dated
December 28, 2010:

NMSS established a contract with the DOE National Training Center (NTC) to develop training materials to be used as self-study guides to replace the course content in each DOE-sponsored MC&A and related class that has not been routinely offered. NMSS identified five courses for inclusion in the contract as follows:

1. MCA-110, Basics of Nuclear Materials Accountability
2. MCA-120, Basics of Nuclear Materials Control
3. MCA-230, Statistical Concepts in Safeguards
4. MCA-241, Nondestructive Assay Techniques for Safeguards Practitioners
5. MCA-260, Physical Inventory for Nuclear Material Control and Accountability

NMSS has received the course materials for all five classes from the NTC as required by the contract. Each course contains all materials necessary to conduct the necessary training (i.e., presentation materials, instructor notes, student handouts, exercises, and examinations). These course materials are in place and available for use to replace the course content in each DOE-sponsored MC&A classes and as reference materials.

In addition, NTC management has advised U.S. Nuclear Regulatory Commission (NRC) staff that the minimum class requirements have been significantly reduced and the NTC sponsored classes, which have been problematic for NMSS staff to attend in the past, will therefore be available on a

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Status of Recommendations

Recommendation 2 (continued):

more frequent basis. The 2011 course schedule indicates that each of these courses will be offered during calendar year 2011 at the NTC facility or Los Alamos National Laboratory. No additional actions are planned for this recommendation.

NMSS has initiated the process to establish a contract with DOE's National Training Center (NTC) to develop training materials that can be used as self-study guides to replace the course content in each DOE-sponsored MC&A and related class that has not been routinely offered. The statement of work and request for proposal were prepared and sent to the NTC in early May and staff is currently conducting the technical review of the NTC proposal. NMSS expects to have this contract with NTC in place by December 2011.

In addition, NTC management has advised U.S. Nuclear Regulatory Commission (NRC) staff that the minimum class requirements have been significantly reduced and the NTC sponsored classes, which have been problematic for NMSS staff to attend in the past, will therefore be available on a more frequent basis. While this information is useful and encouraging, NMSS is proceeding with establishing the NRC's own training materials via the aforementioned contract.

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Status of Recommendations

Recommendation 2 (continued):

OIG Analysis: OIG reviewed the training materials provided and determined that the self-study guides developed for the five courses will ensure that the inspectors have access to training when the DOE classes are filled. In addition, OIG understands that instructor led courses will be made available on a regular basis for inspectors who prefer to have training in person.

Status: Closed.