



OFFICE OF THE INSPECTOR GENERAL

U.S. NUCLEAR REGULATORY COMMISSION

DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Audit of NRC's Training Selection Process for Agreement State Personnel

OIG-19-A-11

April 30, 2019



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

**OFFICE OF THE
INSPECTOR GENERAL**

April 30, 2019

MEMORANDUM TO: Margaret M. Doane
Executive Director for Operations

FROM: Dr. Brett M. Baker */RA/*
Assistant Inspector General for Audits

SUBJECT: AUDIT OF NRC'S TRAINING SELECTION PROCESS FOR
AGREEMENT STATE PERSONNEL (OIG-19-A-11)

Attached is the Office of the Inspector General's (OIG) audit report titled *Audit of NRC's Training Selection Process for Agreement State Personnel*.

The report presents the results of the subject audit. Following the April 24, 2019, exit conference, agency staff indicated that they had no formal comments for inclusion in this report.

Please provide information on actions taken or planned on the report's one recommendation within 30 days of the date of this memorandum. Actions taken or planned are subject to OIG followup as stated in Management Directive 6.1.

We appreciate the cooperation extended to us by members of your staff during the audit. If you have any questions or comments about our report, please contact me at (301) 415-5915 or Paul Rades, Team Leader, at (301) 415-6228.

Attachment: As stated



Office of the Inspector General

U.S. Nuclear Regulatory Commission
Defense Nuclear Facilities Safety Board

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Results in Brief

Why We Did This Review

The Nuclear Regulatory Commission (NRC) fully funds the training and associated travel costs for Agreement State staff to attend NRC-sponsored training. The funding is intended to help Agreement States enhance their programs' performance and foster national consistency among Agreement State and NRC inspectors and license reviewers.

Certain NRC-sponsored training courses have been identified as providing basic information that directly supports the Agreement State program. NRC's guidance document, SA-600, "Training Selection Process and Criteria for Agreement State Personnel," outlines the process through which Agreement State personnel can apply for NRC-sponsored training and the criteria used to select training course attendees.

The audit objective was to determine the effectiveness and efficiency of NRC's process for selecting Agreement State personnel for NRC-sponsored training courses.

Audit of NRC's Training Selection Process for Agreement State Personnel

What We Found

NRC's process for selecting Agreement State personnel for NRC-sponsored training courses is generally effective and efficient. Additionally, Agreement State Program Directors interviewed by OIG expressed positive views regarding support provided by Regional State Agreement Officers (RSAOs). However, NRC can improve this process by updating guidance to more accurately reflect the training selection process and the roles and responsibilities of the NRC parties involved, and clarifying the role of the RSAO.

Staff should adhere to consistent business practices that support effective and efficient program operations. However, aspects of the Agreement State training selection process are not carried out consistently. This occurs because the training selection process guidance does not accurately reflect the process and does not provide sufficient detail, particularly with respect to RSAO roles and responsibilities. Current and accurate guidance supports program knowledge management and can help NRC staff make best use of limited training resources.

What We Recommend

This report makes one recommendation to enhance guidance for NRC's training selection process for Agreement State personnel.

Agency management stated their general agreement with the finding and recommendation in this report.

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ABBREVIATIONS AND ACRONYMS

IMPEP	Integrated Materials Performance Evaluation Program
NRC	Nuclear Regulatory Commission
OIG	Office of the Inspector General
RSOA	Regional State Agreement Officer
SALPB	State Agreement and Liaison Programs Branch
U.S.	United States

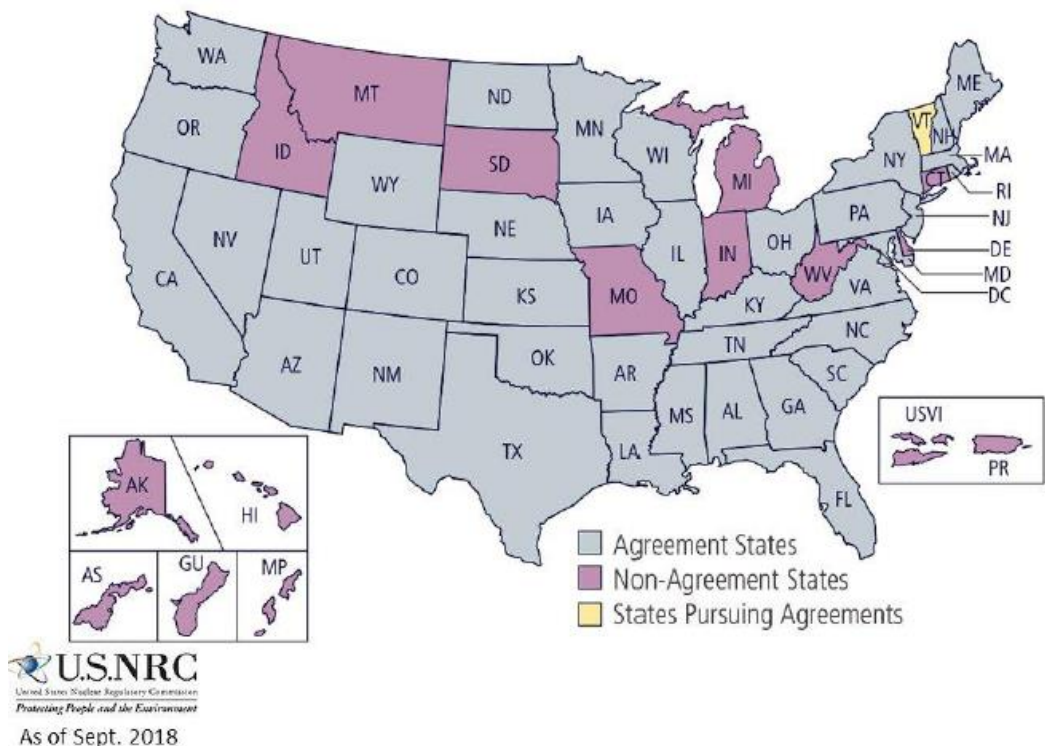
I. BACKGROUND

Agreement State Program

The U.S. Nuclear Regulatory Commission (NRC) provides assistance to States expressing interest in establishing programs to assume NRC regulatory authority under the *Atomic Energy Act of 1954*, as amended. Section 274 of the act provides a statutory basis under which NRC relinquishes to the States portions of its regulatory authority to license and regulate byproduct materials (radioisotopes); source materials (uranium and thorium); and certain quantities of special nuclear materials. States that enter into agreements with NRC under Section 274 of the *Atomic Energy Act of 1954*, as amended, are known as Agreement States.

Currently, 38 States have entered into Agreements with NRC. The State of Vermont is currently pursuing an Agreement with NRC. (See Figure 1).

Figure 1: Agreement States



Source: NRC.

Funding of Training and Associated Travel Costs for Agreement State Personnel

Section 274i of the *Atomic Energy Act of 1954*, as amended, authorizes NRC to provide training, with or without charge, to employees of any Agreement State as the Commission deems appropriate. After a 10-year period of discontinued funding, in 2007, the Commission approved the resumption of fully funding the training and associated travel costs for Agreement State staff to attend NRC-sponsored training. The purpose of this funding is to help Agreement States enhance their programs' performance and foster national consistency among Agreement State and NRC inspectors and license reviewers.

NRC establishes a budget and associated funding for Agreement State travel. NRC's Fiscal Year 2018 budget for Agreement State travel¹ was \$1.159 million. The actual fund expenditure in Fiscal Year 2018 for all Agreement State travel was \$743,719. Of that amount, \$575,505 was expended on Agreement State travel specifically related to NRC-sponsored training.

NRC-Sponsored Training Courses

Certain NRC-sponsored training courses have been identified as providing basic information that directly supports the Agreement State program. These courses include training on inspection and licensing, as well as technical subjects like nuclear medicine and industrial radiography. Most courses are held only a few times each year due to contract limitations or availability of funds/resources. Based on enrollment history, funding issues, or the number of individuals on the waitlist (i.e., the list of individuals waiting for training course slots to open), the quantity of scheduled offerings may be reduced or increased.

For courses conducted at the NRC Professional Development Center in Rockville, Maryland, Technical Training Center in Chattanooga, Tennessee, or at a contractor's facility, 50 percent of the course slots are

¹ The travel budget is used for travel related expenses – such as payment of airfare, lodging, per diem, and gas – for travel related to NRC-sponsored training, the annual Organization of Agreement States/Conference of Radiation Control Program Directors, Inc. briefing with the Commission, Management Review Board meetings, the Organization of Agreement States annual meeting, and Integrated Materials Performance Evaluation Program (IMPEP) reviews.

allotted to Agreement States, 38 percent of the course slots are allotted to NRC, and 12 percent of the course slots are allotted to Master Materials Licensees.² Eight weeks prior to the course start date, if there are unfilled NRC or Master Materials Licensee slots, those slots may be filled by Agreement State personnel. Typically, Agreement State personnel fill the majority of a training course's seats.

NRC Organizations Responsible for Agreement State Training Selection Process

The Office of Nuclear Material Safety and Safeguards (NMSS), specifically the State Agreement and Liaison Programs Branch (SALPB) within the Division of Materials Safety, Security, State, and Tribal Programs (MSST), develops the training course schedule and criteria used to select training course attendees. SALPB is the author of SA-600, "Training Selection Process and Criteria for Agreement State Personnel," which is the guidance document governing this process.

Training Selection Process for Agreement State Personnel

SA-600 establishes qualification criteria which Agreement State personnel must meet in order to be eligible for NRC-sponsored training. These criteria include requirements related to the individual's education, inspector or license reviewer work duties, and a licensee-related requirement for technology-specific classes.³ The Agreement State Training and Travel Coordinator within SALPB develops the training schedule and issues a letter to notify the Agreement States of the schedule. State personnel must submit a training application form. On the training application form, the applicant must specify whether he or she is taking the training to become qualified as an inspector or license reviewer. By signing the training application form, the State Radiation Control Program Director certifies that their employee is currently being

² A Master Materials License is a material (byproduct, source, and/or special nuclear material) license issued to a Federal agency authorizing use of material at multiple sites that fall under the jurisdiction of the Federal agency. The license allows the Federal agency to conduct some activities as a regulator, such as issuing permits for radioactive materials use at the sites and conducting inspections. NRC, in turn, provides oversight of Master Materials License licensees through reviews and inspections conducted by NRC staff.

³ A State program must have a specific class of licensee (or active application) for a candidate to receive approval to attend a technology-specific class.

trained to become a qualified inspector or license reviewer. If a State is submitting more than one training application form for a course, the Program Director must also indicate the priority level of each application (i.e., priority 1 of 3 applications).

The Agreement State Training and Travel Coordinator must give first priority to States that currently do not have inspection or licensing staff with the expertise to maintain Integrated Materials Performance Evaluation Program (IMPEP)⁴ performance levels, as demonstrated by one or more recent vacancies, or States that have submitted a letter of intent and are actively seeking Agreement State status.⁵

The Agreement State Training and Travel Coordinator selects training course attendees and issues a letter of notification to the States for each course, identifying the accepted students and providing information regarding course logistics. The Agreement State Training and Travel Coordinator uses an Access database to track data related to training attendance.

Regional State Agreement Officers

The Regional State Agreement Officers (RSAOs) are the NRC's primary liaison with the Agreement States on a wide range of technical and regulatory issues. There are two RSAOs in Region I, one RSAO in Region III, and two RSAOs in Region IV. The Region I RSAOs oversee the Agreement States in both Region I and Region II.

The RSAO's role relative to the training selection process can be characterized as maintaining and updating the "Status of Current Agreement State Employees" SharePoint list. This SharePoint list tracks Agreement State employees' status in their State's qualification program. The SharePoint list contains all of the Agreement States, and for each

⁴ IMPEP is a program through which NRC evaluates the NRC regional materials programs and Agreement State radiation control programs in an integrated manner, using common and non-common performance indicators, to ensure that public health and safety is being adequately protected. One of the common performance indicators is technical staffing and training.

⁵ Second priority is given to States that will not have inspection or licensing expertise to maintain IMPEP performance levels within a year as demonstrated by retirement or significant staff turnover. Third priority is given to States that are enrolling one candidate to maintain a sufficient number of inspectors or license reviewers for future needs.

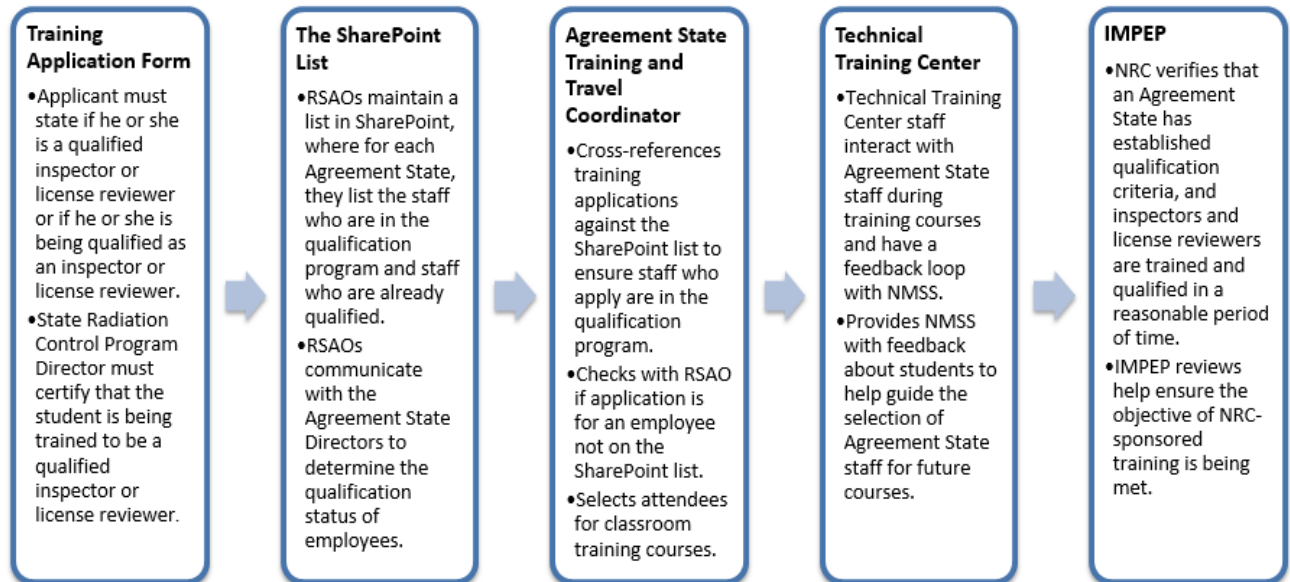
Agreement State, there are two columns. The left column contains names of Agreement State employees in a qualification program. The right column contains names of Agreement State employees who are currently qualified.

The RSAOs communicate with the Agreement State Program Directors and update the SharePoint list based on information they receive. RSAOs add a name to the left column when a State has a new employee who has entered the qualification program, remove a name from the list when someone no longer works for the State, and move a name from the left column to the right column when an employee has satisfied their State's qualification requirements to become fully qualified.

Agreement State Training Selection

NRC has various checkpoints in place throughout the Agreement State training selection and IMPEP processes to confirm that the correct Agreement State staff are selected to attend NRC-sponsored training courses and that the Agreement States have established qualification criteria for their staff. (See Figure 2.)

Figure 2: Agreement State Training Selection and IMPEP Verification Graphic



Source: OIG Generated.

II. OBJECTIVE

The audit objective was to determine the effectiveness and efficiency of NRC's process for selecting Agreement State personnel for NRC-sponsored training courses. The report appendix contains information on the audit scope and methodology.

III. FINDING

NRC's process for selecting Agreement State personnel for NRC-sponsored training courses is generally effective and efficient. Additionally, Agreement State Program Directors interviewed by OIG expressed positive views regarding support provided by RSAOs. However, NRC can improve this process by updating guidance to more accurately reflect the training selection process and the roles and responsibilities of the NRC parties involved, and clarifying the role of the RSAO.

A. Aspects of the Agreement State Training Selection Process Are Not Carried Out Consistently

Staff should adhere to consistent business practices that support effective and efficient program operations. However, aspects of the Agreement State training selection process are not carried out consistently. This occurs because the training selection process guidance does not accurately reflect the process and does not provide sufficient detail, particularly with respect to RSAO roles and responsibilities. Current and accurate guidance supports program knowledge management and can help NRC staff make best use of limited training resources.

What Is Required

Staff Should Adhere to Consistent Business Practices that Support Efficient and Effective Program Operations

Staff should adhere to consistent business practices that support efficient and effective program operations. Further, as recommended by the Government Accountability Office's *Standards for Internal Control in the Federal Government*, clearly defined roles and responsibilities enable an organization to operate in an efficient and effective manner, comply with applicable laws and regulations, and reliably report quality information. This also enables an organization to communicate effectively with external stakeholders.

Agreement State staff must also meet certain qualification criteria in order to be eligible for NRC-sponsored training, such as requirements related to the applicant's education, inspector or license reviewer work duties, and a licensee-related requirement for technology-specific classes.

What We Found

Aspects of the Agreement State Training Selection Process Are Not Carried Out Consistently

Staff should adhere to consistent business practices and roles and responsibilities should be clearly defined; however, there are inconsistencies in the way NRC staff administer the Agreement State training selection process.

RSAOs have been assisting in the training selection process as they are responsible for maintaining the SharePoint list. However, RSAOs are not consistent in terms of how they add Agreement State staff to the SharePoint list. Inconsistencies also exist relative to how the Agreement State Training and Travel Coordinator's responsibilities are fulfilled, specifically with regard to tracking training attendance.

Inconsistencies among RSAO Practices

RSAOs do not consistently maintain the SharePoint list to accurately reflect Agreement State personnel qualification status. The two columns on the SharePoint list represent the qualification status of Agreement State employees; however, one of the five RSAOs does not differentiate between the two columns on the SharePoint list and adds employees' names such that the left and right column are even. As noted on page 5 of this report, the left column of the list is intended to reflect the names of staff currently in the qualification program, whereas the right column of the list should contain the names of staff who have completed the qualification program. OIG identified errors in the SharePoint lists for some of this RSAO's States. For example, there are employees who are currently in their State's qualification program, yet their names are incorrectly on the right column of the list. Additionally, an employee who is in the qualification program is not listed on their State's SharePoint list. This results in inaccurate and incomplete information for the RSAO's States. Furthermore, incorrectly identifying the qualification status of employees could potentially adversely impact the priority assigned to their training applications.

RSAOs also vary in the frequency with which they update the SharePoint list. Some RSAOs wait until a State reaches out to them to update the list, whereas other RSAOs check with their states once per year to ensure the list is accurate for their states. As of February 2019, four States on the SharePoint list were last updated in 2016, while four States had no date stamp indicating when they were last updated. Additionally, OIG found inaccuracies on the SharePoint list. Of the four Agreement States that do not have any staff listed in the currently qualified column, two of these States do in fact have staff who are currently qualified.

Furthermore, several Agreement State officials told OIG they were not aware of any expectation for them to contact their respective RSAOs to inform them of new staff entering the qualification program, or to notify them of staff who have completed the qualification program. Moreover, some Agreement State staff told OIG they contact NRC Headquarters, rather than their respective RSAOs, when new employees enter the qualification program.

Inconsistencies in Agreement State Training and Travel Coordinator Practices

OIG found inconsistencies in how Agreement State Training and Travel Coordinators track training attendance.

One of the responsibilities for Agreement State Training and Travel Coordinators is to maintain data related to State training attendance. A former Agreement State Training and Travel Coordinator used a paper tracking system, whereas the current Agreement State Training and Travel Coordinator uses an Access database to track data. As turnover in the position occurs, it is important for the tracking mechanism to be consistent so as to reduce the potential for data discrepancies.

Another inconsistency is the tracking of students who complete online courses, which is increasingly important as more courses are now being offered online. A former Agreement State Training and Travel Coordinator did not track online students, whereas the current Agreement State Training and Travel Coordinator uses a database to track online students.

Why This Occurred

Training Selection Process Guidance Does Not Accurately Reflect the Process and Lacks Sufficient Detail, Particularly with Respect to RSAO Roles and Responsibilities

SA-600, "Training Selection Process and Criteria for Agreement State Personnel" does not address the role of the RSAOs in the training selection process. Furthermore, SA-600 contains incorrect information.

SA-600 Should Clarify the RSAO Role

The RSAOs have been assisting in the training selection process, yet there is no guidance governing their role or responsibilities relative to this process. SA-600 provides Agreement State training requirements, but does not address the role of the RSAO in the training selection process. Clarifying the RSAO role and responsibilities within SA-600 would help the RSAOs coordinate more consistently with the Agreement State staff.

Because the RSAOs were given informal instructions regarding the SharePoint list several years ago, and three of the five RSAOs have been in their position for about 1 year or less, the majority of RSAOs never received formal directions on their responsibilities as they relate to the SharePoint list.

Furthermore, some Agreement State officials expressed frustrations with the lack of transparency in the selection process and the lack of clear information surrounding how the process works. Similarly, an NRC staff member said SA-600 needs to more clearly spell out the criteria for training and the selection process.

SA-600 Contains Incorrect Information

SA-600 states the qualification criteria applies for both classroom training and online training. However, there is no selection process for online training classes as NRC is not requiring the people who take online training to be in a qualification program.

Why This Is Important

Current and Accurate Guidance Supports Program Knowledge Management and Can Help NRC Staff Make Best Use of Limited Training Resources

Although 75 percent of Agreement State training applicants were accepted into classroom training courses in Fiscal Year 2018,⁶ current and accurate guidance supports program knowledge management and can help NRC staff make best use of limited training resources. This is particularly crucial given that agency staff expect future cuts in Agreement State training funds. Further, a consistent approach to training management is key to supporting Commission policy promoting a nationally consistent training program for Agreement State personnel.

⁶ Of the remaining 25% of Agreement State training applicants, 21% were waitlisted, 1% canceled their application, and 3% were rejected. The total number of training applicants in Fiscal Year 2018 was 357.

Recommendation

OIG recommends that the Executive Director for Operations

1. Update SA-600 to more accurately reflect the training selection process and the roles and responsibilities of the NRC parties involved.

IV. AGENCY COMMENTS

An exit conference was held with the agency on April 24, 2019. After reviewing a discussion draft, agency management provided comments that have been incorporated into this report, as appropriate. As a result, agency management stated their agreement with the finding and recommendation in this report and opted not to provide formal comments for inclusion in this report.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The audit objective was to determine the effectiveness and efficiency of NRC's process for selecting Agreement State personnel for NRC-sponsored training courses.

Scope

This audit focused on evaluating NRC's process for selecting Agreement State personnel for NRC-sponsored training courses. We conducted this performance audit at NRC headquarters (Rockville, Maryland) from November 2018 to February 2019. Internal controls related to the audit objective were reviewed and analyzed.

Methodology

OIG reviewed relevant criteria and guidance documents for this audit including

- The *Atomic Energy Act of 1954*, as amended.
- NUREG/BR-0332, "Training and Development Strategic Plan: Safety through Knowledge."
- SA-600, "Training Selection Process and Criteria for Agreement State Personnel."
- AD-500, "Agreement State Invitational Travel Training Applications, Travel Authorizations, and Vouchers."
- SRM-SECY-07-0144, "U.S. Nuclear Regulatory Commission Policy on Funding of Certain Agreement State Training and Travel Costs."
- Inspection Manual Chapter 1248, "Qualification Programs for Federal and State Materials and Environmental Management Programs."
- Management Directive 5.6, "Integrated Materials Performance Evaluation Program (IMPEP)."

OIG interviewed NMSS staff and management to gain an understanding of NRC's process for selecting Agreement State personnel for NRC-sponsored training courses. Auditors also interviewed the RSAOs and staff from the Technical Training Center to ascertain their roles and responsibilities relative to the training selection process for Agreement State personnel. Furthermore, auditors reached out to a judgmental sample of 12 Agreement States to obtain their perspectives on NRC's training selection process. This sample was selected to be representative of the total number of Agreement States in each region and incorporated recommendations from NRC staff as well as observations based on an analysis of the SharePoint list. OIG also conducted analyses to determine course acceptance rates for Agreement State staff in Fiscal Year 2018 and to identify errors in the SharePoint list.

Throughout the audit, auditors considered the possibility of fraud, waste, and abuse in the program.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The audit was conducted by Jacki Storch, Team Leader; Paul Rades, Team Leader; Regina Revinzon, Senior Auditor; and Connor McCune, Management Analyst.

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Office of the Inspector General
Hotline Program
Mail Stop O5-E13
11555 Rockville Pike
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COMMENTS AND SUGGESTIONS

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