



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

**OFFICE OF THE  
INSPECTOR GENERAL**

April 29, 2021

**MEMORANDUM TO:** Margaret M. Doane  
Office of the Executive Director for Operations

**FROM:** Eric Rivera */RA/*  
Acting Assistant Inspector General for Audits

**SUBJECT:** STAFF RESPONSE TO THE OFFICE OF INSPECTOR  
GENERAL'S AUDIT OF THE U.S. NUCLEAR  
REGULATORY COMMISSION'S MATERIAL CONTROL  
AND ACCOUNTING PROGRAM FOR SPECIAL NUCLEAR  
MATERIAL (OIG-21-A-04)

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendation as discussed in the agency's response dated April 8, 2021. Based on this response, recommendations one, two, and three are open and resolved. Please provide an updated status of the resolved recommendations by October 30, 2021.

If you have any questions or concerns, please call me at (301) 415-7032, or Mike Blair, Team Leader, at (301) 415-8399.

Attachment: As stated

cc: C. Haney, OEDO  
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## Audit Report

### AUDIT OF THE U.S. NUCLEAR REGULATORY COMMISSION'S MATERIAL CONTROL AND ACCOUNTING PROGRAM FOR SPECIAL NUCLEAR MATERIAL

(OIG-21-A-04)

#### Status of Recommendations

Recommendation 1: Develop and implement enhancements to the existing MC&A communications process to sustain recurring communications between headquarters Material Control and Accounting Branch (MCAB) and Region II Division of Fuel Facilities Inspection (DFFI).

Agency Response Dated  
April 8, 2021:

The staff agrees with the recommendation. The staff currently has several means for communications between Region II/DFFI and the Division of Fuel Management (DFM), at different management levels. These existing communication vehicles can be supplemented. For example, at the staff level, DFFI has established a Community of Practice (CoP) for discussions for technical areas. The staff plans to reestablish quarterly CoP discussions among DFFI inspectors and DFM staff in the MCAB in the second quarter of 2021. The MC&A CoP includes currently qualified Region II MC&A inspectors, MC&A inspectors currently in the MC&A qualification and training process, and MC&A subject matter experts in MCAB. The respective first line supervisors (Branch Chiefs) from each organization will also be invited to the discussions, along with division management. The quarterly CoP meetings will cover upcoming MC&A inspections and topics arising from previous MC&A inspections, including results, challenges, and lessons learned. In addition, the meetings will include a specific technical training topic such as statistical calculations or review of required forms utilizing the established NUREG guidance. This will normally be conducted in a "tabletop" format to improve the training effectiveness by allowing "hands-on" activities. Information from the meetings will be made available on the DFFI SharePoint site.

Target date for completion: implement discussions by April 30, 2021 and continue quarterly.

Contact: Eric Michel, Branch Chief, RII/DFFI  
(404) 997-4555

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(OIG-21-A-04)

#### Status of Recommendations

Recommendation 1 (cont'd):

OIG Analysis:

The proposed actions meet the intent of the recommendation. This recommendation will be closed when the OIG reviews the implementation of the new CoP sessions and information provided on the DFFI SharePoint site.

**Status:**

Open: Resolved.

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(OIG-21-A-04)

#### Status of Recommendations

Recommendation 2: Develop and implement a strategy to get staff qualified for MC&A in a timely fashion.

Agency Response Dated  
April 8, 2021:

The staff agrees with the recommendation. The qualification requirements for an MC&A inspector are given in Inspection Manual Chapter (IMC) 1247. The requirements include training courses provided by the Department of Energy (DOE) through Los Alamos National Lab (LANL) and the DOE National Training Center (NTC). In some years these courses have very limited availability; this has been especially true under the travel restrictions during the COVID-19 Public Health Emergency. The IMC is currently being reviewed by DFFI to ensure that it accurately reflects training and qualification courses currently available through DOE and NRC training processes. DFFI staff have contacted the training coordinators at LANL and NTC to stay better informed on the availability of DOE courses to meet NRC needs. Staff will also explore greater use in qualification of the training offered by the Nuclear Materials Management and Safeguards System (NMMSS), which is operated by DOE and jointly supported by DOE and NRC. NMMSS offers frequent training on its reporting process, which is used by fuel cycle facilities as part of their required MC&A programs. NMMSS has been moving some training to online, in addition to in-person classes, which can make it more easily accessible.

The staff will also use the technical topic discussions during the CoP meetings to supplement and enhance inspector knowledge for new staff as part of their qualification program. As part of the review and update of the IMC, staff will include a description of the strategy for timely qualification of new MC&A inspectors, using the agency Strategic Workforce Planning tool and budget process.

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#### Status of Recommendations

##### Recommendation 2(cont'd):

Updates to future training and qualification requirements will be discussed, as required, during CoP quarterly meetings as future industry needs and training course availability may change.

Target date for completion: review of IMC 1247 and development of qualification strategy by November 30, 2021.

Contact: Eric Michel, Branch Chief, RII/DFFI  
(404) 997-4555

##### OIG Analysis:

The proposed actions meet the intent of the recommendation. This recommendation will be closed upon the OIG's review of the revised IMC 1247, a strategy to qualify MC&A staff more quickly, and concurrent updates to available training schedules.

##### Status:

Open: Resolved.

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(OIG-21-A-04)

#### Status of Recommendations

Recommendation 3: Review and update the MC&A inspector qualification program guidance to include a strategy to address emergent MC&A inspection program needs.

Agency Response Dated  
April 8, 2021:

The staff agrees with the recommendation. As described in the response to Recommendation 2, DFFI is currently reviewing the MC&A inspector qualification program in IMC 1247. As part of that review, staff will consider updates to document a strategy to address emergent MC&A inspection program needs. At present, DFFI has three qualified MC&A inspectors within the division, which is sufficient to meet the MC&A inspection requirements for the coming years. Two additional inspectors qualified in MC&A are assigned to Region II, in the Division of Reactor Safety and Division of Reactor Programs, who are routinely planned and scheduled to conduct MC&A inspections in order to maintain proficiency. These staff can be utilized to support an emergent MC&A inspection need. Additional inspectors in other regions and headquarters, who are qualified for MC&A inspections of other types of facilities, can provide further capacity if needed. Four additional DFFI personnel are actively pursuing MC&A qualifications as part of their professional development and in support of long-term workforce planning. These individuals provide further flexibility for emergent MC&A inspection activities if the need arises.

Target date for completion: review and update IMC 1247 to include a strategy to address emergent MC&A inspection program needs by November 30, 2021.

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#### Status of Recommendations

Recommendation 3 (cont'd):

OIG Analysis: The proposed actions meet the intent of the recommendation. This recommendation will be closed upon the OIG's review of the revised IMC 1247 to include a strategy to address emergent MC&A inspection program needs and a schedule for when the four additional DFFI personnel will begin their MC&A qualification training.

Status: Open: Resolved.