



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

October 29, 2021

MEMORANDUM TO: Eric Rivera
Acting Assistant Inspector General for Audits
Office of the Inspector General

FROM: John W. Lubinski, Director
Office of Nuclear Material Safety
and Safeguards

A handwritten signature in blue ink, appearing to read "R. Lewis".

Lewis, Robert signing on behalf
of Lubinski, John
on 10/29/21

SUBJECT: STATUS OF RECOMMENDATIONS FOR THE AUDIT OF THE
NUCLEAR REGULATORY COMMISSION MATERIAL CONTROL
AND ACCOUNTING INSPECTION PROGRAM FOR SPECIAL
NUCLEAR MATERIAL (OIG-21-A-04)

The purpose of this memorandum is to provide the Office of the Inspector General with a status update on the recommendations in OIG-21-A-04, "Audit of the U.S. Nuclear Regulatory Commission (NRC) Material Control and Accounting Inspection Program for Special Nuclear Material," (Agencywide Documents Access and Management System Accession No. ML21068A356).

Recommendation 1

Develop and implement enhancements to the existing material control and accounting (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).

Status

The MC&A Community of Practice group met on June 21, 2021, including staff from MCAB and DFFI. The discussions covered results from recent MC&A inspections, upcoming inspections, and expected new fuel facility license applications and amendments. Further quarterly meetings are planned.

Additional communication and collaboration between DFFI and MCAB continue in the development of the MC&A inspection procedures for Category II facilities: updates to Inspection Manual Chapter (IMC) 2600, Appendix B (MC&A Observation Frequencies and Resource Estimates), and revisions to IMC 1247, Appendix C5 (Fuel Facility Material Control and Accounting Inspector Technical Proficiency Training and

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Qualification Journal). These ongoing activities help to further promote and sustain communications between headquarters MCAB and Region II DFFI staff.

Point of Contact: Eric Michel, RII/DFFI

Recommendation 2

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

Status

The MCAB and DFFI continue to work together in the review and revision of IMC 1247, Appendix C5, the MC&A Inspector Training and Qualification Journal. As discussed in the staff response to this recommendation, this revision includes pursuing alternative means for inspectors to complete some courses at the Department of Energy (DOE) National Training Center (NTC) that have had limited availability in recent times. Staff is developing internal training material, based on the DOE NTC course content, on specific topics needed for qualification. This is expected to be implemented in the second quarter of Fiscal Year 2022.

As the preparation of this alternate training and revision of IMC 1247 has taken longer than originally anticipated, staff has revised the target date for completing review of IMC 1247 and development of qualification strategy to January 31, 2022.

Point of Contact: Eric Michel, RII/DFFI

Recommendation 3

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

Status

As noted in the previous response, staff is revising the Training and Qualification Journal to better reflect current training needs and availability. DFFI also continues to qualify three additional inspectors and maintain the proficiency of three resources outside of the division. To note: the recent implementation of the Smarter Inspection Program for fuel cycle facilities has reduced the overall resource demands for MC&A. Specifically, Category III fuel facilities and the Gas Centrifuge inspection frequency (four of six facilities) was reduced from annual to biennial, and Category I (two of six facilities) overall hours were reduced slightly. The current staff of inspectors is sufficient to cover these needs.

As noted in the previous response, staff has revised the target date for completing review of IMC 1247 and development of qualification strategy to January 31, 2022.

Point of Contact: Eric Michel, RII/DFFI