



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

March 7, 2019

MEMORANDUM TO: Dr. Brett M. Baker,
Assistant Inspector General for Audits
Office of the Inspector General

FROM: Scott W. Moore, Acting Director /RA/
Office of Nuclear Material Safety
and Safeguards

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF U.S. NUCLEAR
REGULATORY COMMISSION'S REGULATORY OVERSIGHT
OF SPECIAL NUCLEAR MATERIAL (OIG-03-A-15)

In a memorandum dated August 23, 2018, the Office of the Inspector General (OIG) informed the Executive Director for Operations that two remaining recommendations (Recommendations 1 and 3) resulting from OIG-03-A-15 remain in a resolved status. It was noted that Recommendations 1 and 3 will be closed once the agency provides, and OIG verifies, information confirming that corrective actions have been finalized. The OIG requested a status update on those remaining two recommendations by February 28, 2019. The updated status report is provided in the enclosure.

Two of the three OIG conditions for closing Recommendation 1 have been satisfied. The remaining condition, to complete documentation of the basis for risk-informing the Material Control and Accounting (MC&A) program and apply it to the program with respect to conducting periodic inspections, is addressed as part of the staff's revision of Title 10 of the *Code of Federal Regulations* (10 CFR) Part 74, and the staff's revision of the U.S. Nuclear Regulatory Commission Inspection Manual, Manual Chapter 2683, Material Control and Accounting Inspection of Fuel Cycle Facilities. As stated in the enclosure, the staff provided the draft final rulemaking package for revision of 10 CFR Part 74 and related regulations to the Commission in October 2018. The staff recommends that the remaining condition of Recommendation 1 be closed following Commission action on the rulemaking.

Recommendation 3, to document the basis of the approach used to risk-inform oversight of MC&A activities for all types of materials licensees, is also addressed as part of the staff's rulemaking to revise 10 CFR Part 74, the staff's revision of the NRC Inspection Manual, Manual Chapter 2683, Material Control and Accounting Inspection of Fuel Cycle Facilities, and the staff's efforts in other MC&A oversight activities. The staff recommends that Recommendation 3 be closed following Commission action on the rulemaking.

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Enclosure:
Audit of NRC Oversight
of Special Nuclear Material

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DATED: March 7, 2019

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