Key Management Structure and Workforce Planning Issues Remain As NNSA Conducts Downsizing

What GAO Found

NNSA’s reorganization has addressed some past problems by better delineating lines of authority and improving communication; however, NNSA has not formalized a program management structure that identifies program managers or details their responsibilities and qualifications as they relate to the direction and oversight of contractor activity under the new organization. Without first resolving such key management issues, NNSA cannot, among other things, ensure the improved discipline and accountability it seeks in managing its programs.

NNSA’s reorganization is not likely to ensure that the agency has sufficient staff with the right skills in the right places because NNSA downsized its federal workforce without first determining the critical skills and capabilities needed to meet its mission and program goals. Consequently, NNSA will not know the composition of its workforce until it completes the 17 percent workforce reduction on September 30, 2004—the deadline specified in the reorganization plan—and then determines the knowledge, skills, and capabilities of its remaining employees. Without a functional long-term workforce plan, NNSA runs the risk of facing further, more serious staff shortages or skill imbalances, thereby diminishing its ability to adequately oversee its contractors.

NNSA’s implementation of a proposed risk-based approach to rely more on contractors’ assurances and self-assessments and less on NNSA’s direct oversight may be premature because it has not yet established a program management structure or long-term workforce plan for ensuring sufficient staff with the right skills in the right places. Under this proposal, contractors will develop comprehensive assurance systems, or systems of management controls, and NNSA will primarily rely upon these contractor systems and controls to ensure that contractors properly execute their work. Although the overall concept of a risk-based approach to federal oversight has merit, NNSA’s proposed transition to conduct less direct federal oversight could be compromised by outstanding reorganization issues.

What GAO Recommends

GAO is making recommendations to the Secretary of Energy and the Administrator of NNSA to increase the likelihood that NNSA’s reorganization will achieve NNSA’s goals of increased management discipline and contractor oversight. In its comments, NNSA agreed in principle with GAO’s recommendations, but felt its ongoing efforts were not sufficiently recognized. We have recognized NNSA’s efforts, but believe more needs to be done to ensure effective program management and contractor oversight.