

GAO Highlights

Highlights of [GAO-15-662T](#), a testimony before the Subcommittee on Oversight and Investigations, Committee on Energy and Commerce, House of Representatives

Why GAO Did This Study

A 2005 DOE policy required the department's M&O contractors to implement assurance systems to drive continuous improvement through contractor self-assessment and effective federal oversight. A policy change in 2011 sought to improve the efficiency and effectiveness of DOE oversight programs by leveraging the contractor-generated information from CAS to reduce hands-on oversight, when appropriate. Also, in 2011, NNSA developed a framework for overseeing its M&O contractors, including a three-pronged evaluation for determining how and when to use information from CAS by evaluating the risk of contractors' activities, contractor's past performance, and the maturity of their CAS. Recent security and safety incidents at DOE and NNSA sites, including a 2014 nuclear waste accident, have caused some to question the extent to which information from CAS can be relied on for overseeing M&O contractors.

This testimony discusses NNSA's policy and procedures for implementing the framework, including its use of information from CAS and its process for evaluating oversight effectiveness. Based mainly on GAO's May 2015 report ([GAO-15-216](#)), it also discusses preliminary observations from ongoing work related to the 2014 accident for which GAO is analyzing NNSA and DOE policies and guidance on oversight and accident investigation reports completed by DOE and others

What GAO Recommends

GAO made several recommendations in its May 2015 report with which NNSA concurred and for which it plans to take action.

View [GAO-15-662T](#). For more information, contact Allison Bawden at (202) 512-3841 or bawdena@gao.gov.

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DEPARTMENT OF ENERGY

Actions Needed to Improve DOE and NNSA Oversight of Management and Operating Contractors

What GAO Found

In May 2015, GAO found that the Department of Energy's (DOE) National Nuclear Security Administration (NNSA) had not fully established policy or guidance for using information from contractor assurance systems (CAS) to conduct oversight of management and operating (M&O) contractors. NNSA did not provide comprehensive guidance to agency officials on how to conduct assessments required by its oversight framework. In particular, NNSA did not provide guidance for assessing the maturity of contractors' CAS to determine whether information from these systems is sufficiently reliable for oversight purposes. As a result, NNSA cannot ensure that it is appropriately relying on information from CAS in overseeing these contractors. NNSA agreed with GAO's recommendation to establish a comprehensive oversight policy, including for assessments to determine how to use information from CAS for oversight.

In the absence of headquarters level policy or guidance, GAO found in May 2015 that NNSA field offices established their own procedures for determining appropriate oversight approaches, but these procedures were not always complete, and they differed. For example, five of NNSA's seven field offices reported having complete procedures for assessing CAS maturity, but these procedures described different processes and rating scales for conducting such assessments, which could affect the consistency of how field offices determine oversight approaches. NNSA agreed with GAO's recommendation for field offices to develop new or modify existing procedures consistent with new headquarters policy.

NNSA's 2011 policy included a process for validating the effectiveness of field offices' oversight approaches, including the extent to which their approaches appropriately used information from CAS, but GAO found in May 2015 that NNSA discontinued this process after determining that it had not been effective. Discontinuing this process without replacing it eliminated NNSA's internal control for ensuring the effectiveness and consistency of oversight approaches. NNSA agreed with GAO's recommendation to reestablish such a process.

Preliminary observations from GAO's ongoing work to evaluate the 2014 nuclear waste accident at DOE's Waste Isolation Pilot Plant in New Mexico parallel GAO's findings on NNSA's framework for contractor oversight. For example, DOE's accident investigation board reported that the NNSA field office responsible for overseeing waste packaging and processing overrelied on contractor-generated information from CAS instead of directly conducting assessments and that the decision to do so was inconsistent with a 2011 NNSA review, which concluded the contractor's CAS was still maturing.