NATIONAL NUCLEAR SECURITY ADMINISTRATION

Actions Needed to Improve Usefulness of Common Financial Data

Why GAO Did This Study

NNSA has long faced challenges in identifying the total costs of its programs, which are principally performed by M&O contractors. Congress needs this information to provide oversight and make budgetary decisions. The National Defense Authorization Act for Fiscal Year 2017 required NNSA to implement a common financial reporting system, to the extent practicable. NNSA’s efforts began in 2016.

The Senate report accompanying a bill for the National Defense Authorization Act for Fiscal Year 2018 includes a provision for GAO to periodically review NNSA’s implementation of common financial reporting. This is GAO’s third report on this issue. This report examines (1) the steps NNSA has taken since GAO’s January 2020 report, and (2) the extent to which NNSA offices use common financial data to support management purposes.

What GAO Found

The National Nuclear Security Administration (NNSA)—a separately organized agency within the Department of Energy (DOE)—has taken additional steps to implement common financial reporting since GAO’s January 2020 report. NNSA has fully implemented four steps and made progress on three steps, as shown in the table, and some additional work remains. For example, NNSA has not collected standardized cost data from all contractors that manage the contracts to which it obligates funds. Specifically, some management and operating (M&O) contractors that are overseen by another DOE office, DOE’s Office of Science, are not reporting complete data to NNSA because the two offices have not agreed on the standardized cost elements for reporting this information. This is, in part, because Office of Science officials believed that the data were not comparable across programs or useful for their own program management. DOE’s Office of the Chief Financial Officer is responsible for cost reporting at the departmental level and is positioned to facilitate an agreement on the data to be reported by the Office of Science to ensure that NNSA can collect standardized data for all of the funds it obligates.

What GAO Recommends

GAO is making four recommendations, including for DOE to facilitate an agreement on collecting standardized cost data, and for NNSA to establish goals and expectations for using the common financial data. NNSA agrees with the four recommendations.