

GAO Highlights

Highlights of [GAO-25-107696](#), a report to congressional committees

Why GAO Did This Study

NNSA has long faced challenges identifying the total costs of its programs and comparing costs across its 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.

Two Senate committee reports accompanying National Defense Authorization Act bills include provisions for GAO to review NNSA's progress in implementing common financial reporting. This is GAO's fifth report on this issue. This report assesses the extent to which DOE and NNSA have addressed GAO's prior recommendations on common financial reporting since GAO's June 2023 report on the topic.

GAO compared DOE's and NNSA's actions to implement common financial reporting since June 2023 against the 19 outstanding recommendations from prior GAO reports on this topic. To do so, GAO reviewed DOE and NNSA documents related to implementing common financial reporting. Lastly, GAO interviewed officials from DOE's Office of the Chief Financial Officer and Office of Science, as well as NNSA's Financial Integration Team and program offices.

What GAO Recommends

Seventeen recommendations remain outstanding and still warrant action as of July 2025. DOE and NNSA generally agreed with the prior recommendations.

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NATIONAL NUCLEAR SECURITY ADMINISTRATION

Progress Made Toward Fully Addressing Recommendations on Common Financial Reporting

What GAO Found

The National Nuclear Security Administration (NNSA) is a separately organized agency within the Department of Energy (DOE). NNSA is responsible for enhancing national security through the military application of nuclear energy, maintaining and modernizing infrastructure for the U.S. nuclear weapons stockpile, and supporting the nation's nuclear nonproliferation efforts, among other things. NNSA relies on management and operating (M&O) contracts to carry out its missions at eight government-owned, contractor-operated national laboratories and nuclear weapons production facilities, collectively known as the nuclear security enterprise.

NNSA and Congress have had difficulty understanding the total costs of NNSA's programs and comparing constituent costs between contractors because the M&O contractors use different methods of accounting and tracking costs. GAO has issued four prior reports on NNSA's progress in implementing common financial reporting since fiscal year 2019 and made 28 recommendations to DOE and NNSA on this topic. As of June 2023, 19 of GAO's recommendations were outstanding.

GAO now assesses that DOE and NNSA have fully implemented two of the 19 outstanding recommendations and partially implemented nine. Eight of the recommendations have not yet been addressed. NNSA needs to take additional actions to fully implement the remaining 17 outstanding recommendations.

NNSA addressing and fully implementing the remaining outstanding recommendations would provide better assurance to NNSA, M&O contractors, and other stakeholders that the data collected for common financial reporting are accurate, consistent, and standardized. Implementing GAO's recommendations would also help NNSA to reduce duplicative data requests across its offices and minimize the cost and reporting burdens on M&O contractors, while ensuring that common financial reporting provides the data needed to understand the total costs of NNSA's programs and compare costs across its M&O contractors.

GAO will continue to review NNSA's efforts to address and fully implement the remaining 17 outstanding recommendations on common financial reporting.

Status of Outstanding Recommendations from Prior GAO Reports on DOE and NNSA Common Financial Reporting Efforts, as of July 2025

	Number of recommendations by rating		
	Closed – fully implemented	Open – partially implemented	Open – not addressed
Prior rating, as of June 2023	—	—	19
Updated rating, as of July 2025	2	9	8

Source: GAO analysis of DOE and NNSA documents and interviews with DOE and NNSA officials. | GAO-25-107696