



Highlights of [GAO-04-545](#), a report to the Chairman, Subcommittee on Strategic Forces, Committee on Armed Services, U.S. Senate

Why GAO Did This Study

The National Nuclear Security Administration (NNSA), a separately organized agency within the Department of Energy (DOE), is responsible for the management and security of the nation's nuclear weapons, nonproliferation, and naval reactor programs. NNSA oversees contractors that operate its facilities to ensure that activities are effective and in line with departmental policy. In December 2002, NNSA began implementing a major reorganization aimed at solving important long-standing organizational issues. GAO reviewed NNSA's overall reorganization efforts to assess (1) the extent to which it is addressing in practice the past problems concerning the unclear delineation of authority and responsibility, (2) workforce planning, and (3) its impact on federal oversight of contractor activities.

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.

www.gao.gov/cgi-bin/getrpt?GAO-04-545.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Robin Nazzaro at (202) 512-3841 or nazzaror@gao.gov.

NATIONAL NUCLEAR SECURITY ADMINISTRATION

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

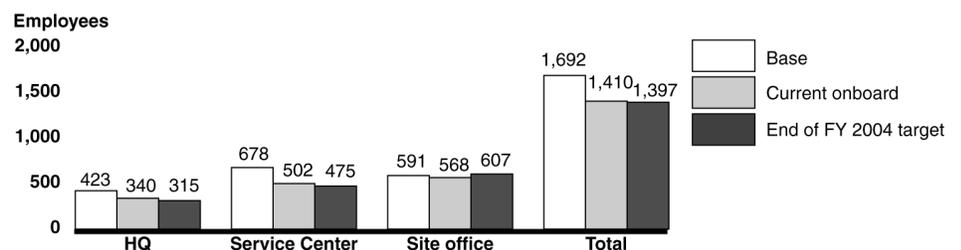
What GAO Found

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.

NNSA Workforce Downsizing Progress



Source: NNSA.

Note: This graph reflects NNSA's adjustments, as of March 6, 2004. It excludes certain offices not significantly affected by downsizing.