

# GAO Highlights

Highlights of [GAO-23-106069](#), 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 fourth report on this issue. This report examines (1) the steps NNSA's financial integration team has taken to implement common financial reporting since GAO's February 2022 report and (2) the extent to which NNSA's program offices have taken steps to collect and use common financial data.

GAO reviewed NNSA documents about implementing common financial reporting, examined cost data submitted to NNSA, and interviewed NNSA and DOE officials and M&O contractor representatives.

## What GAO Recommends

GAO is making 13 recommendations, including that the relevant Deputy or Associate Administrator of the six NNSA program offices (1) assess the actions they have taken and develop a plan to participate fully in the common financial reporting effort and (2) assess their financial data requests outside of common financial reporting and develop a plan to reduce or eliminate requests. NNSA agreed with the recommendations.

View [GAO-23-106069](#). For more information, contact Allison Bawden at (202) 512-3841 or [bawdena@gao.gov](mailto:bawdena@gao.gov).

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# NATIONAL NUCLEAR SECURITY ADMINISTRATION

## Additional Actions Could Improve Efficiency of Common Financial Reporting

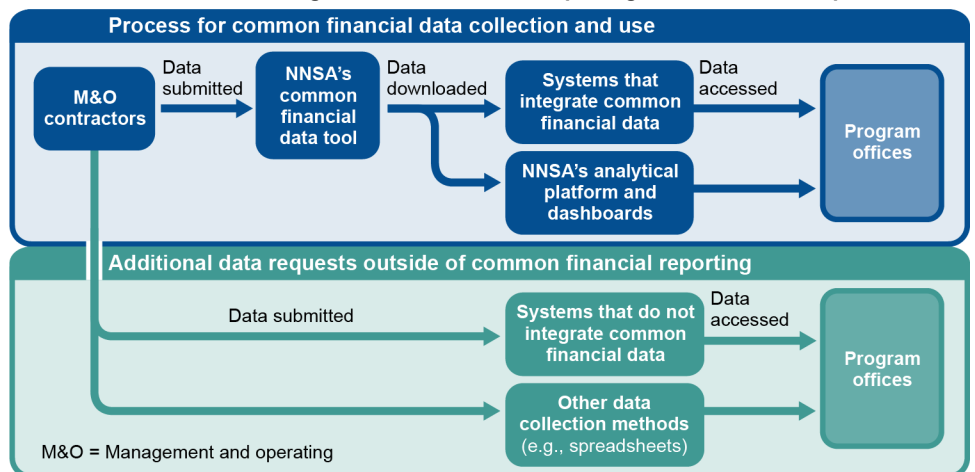
### What GAO Found

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. However, NNSA's financial integration team continues to face challenges collecting data from the non-NNSA management and operating (M&O) contractors that perform work funded by NNSA but are overseen by other DOE offices. For example, NNSA faces challenges collecting data on indirect costs—such as for administrative and site support—from M&O contractors at sites overseen by DOE's Office of Science. DOE has not implemented GAO's prior recommendation on this issue.

NNSA program offices have taken steps to improve their collection and use of common financial data, but the offices are inconsistent in the extent to which they (1) use common financial data and (2) request additional financial data from M&O contractors. Program offices vary in the extent to which they use common financial data. For example, according to officials, some offices use systems for program management that do not integrate common financial data, and most program offices do not regularly use NNSA's common financial data dashboards. By assessing their actions to collect and use common financial data and developing a plan to fully participate in the effort, program offices could maximize efficiencies from the common financial reporting effort.

According to NNSA officials and contractor representatives, most program offices also continue to collect financial data from M&O contractors through additional requests, without having formally assessed whether common financial data could meet their needs. By assessing their additional data requests and reducing or eliminating them where possible, program offices could decrease duplication of effort and help ensure the accuracy of the agency's financial data.

**NNSA's Data Collection through Common Financial Reporting and Additional Requests**



Source: GAO presentation of information from National Nuclear Security Administration (NNSA) documents and interviews. | [GAO-23-106069](#)