



Office of the Inspector General
U.S. Defense Nuclear Facilities Safety Board

Annual Plan
Fiscal Year 2015

FOREWORD

The Consolidated Appropriations Act, 2014, provided that notwithstanding any other provision of law, the Inspector General (IG) of the Nuclear Regulatory Commission (NRC) is authorized in 2014 and subsequent years to exercise the same authorities with respect to the Defense Nuclear Facilities Safety Board (Board), as determined by the NRC IG, as the IG exercises under the Inspector General Act of 1978 (5 U.S.C. App.) with respect to the NRC. I am pleased to present the Office of the Inspector General's (OIG) *FY 2015 Annual Plan* for the Board. The *Annual Plan* provides the audit and investigative strategies and associated summaries of the specific work planned for the coming year. It sets forth OIG's formal strategy for identifying priority issues and managing its workload and resources for FY 2015.

Congress created the Board in September 1988 as an independent Executive Branch agency to identify the nature and consequences of potential threats to public health and safety at the Department of Energy's (DOE) defense nuclear facilities, elevate those issues to the highest levels of authority, and inform the public. The Board strives to protect public health and safety by ensuring implementation of safety standards at DOE defense nuclear facilities, conducting in-depth reviews of new DOE defense facilities during design and construction to ensure the early integration of safety into design; and providing oversight to prevent an accidental detonation of a nuclear weapon during the evaluation, maintenance, or dismantlement process.

The Board provided input into the development of this *Annual Plan*.

We have programmed all available resources to address the matters identified in this plan. This approach maximizes use of our resources. However, to respond to a changing environment, it is sometimes necessary to modify this plan as circumstances, priorities, and/or resources dictate.

Hubert T. Bell
Inspector General

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MISSION AND AUTHORITY

The Nuclear Regulatory Commission's (NRC) Office of the Inspector General (OIG) was established on April 15, 1989, pursuant to Inspector General Act Amendments contained in Public Law 100-504. In addition, the Consolidated Appropriations Act, 2014, provided that notwithstanding any other provision of law, the NRC Inspector General (IG) is authorized in 2014 and subsequent years to exercise the same authorities with respect to the Defense Nuclear Facilities Safety Board (Board), as determined by the NRC IG, as the IG exercises under the Inspector General Act of 1978 (5 U.S. C. App.) with respect to NRC.

OIG's mission is to (1) conduct and supervise independent audits and investigations of agency programs and operations; (2) promote economy, effectiveness, and efficiency within the agency; (3) prevent and detect fraud, waste, and abuse in agency programs and operations; (4) develop recommendations regarding existing and proposed regulations relating to agency programs and operations; and (5) keep the agency head and Congress fully and currently informed about problems and deficiencies relating to agency programs. The act also requires the Inspector General (IG) to prepare a semiannual report to the Board Chairman and Congress summarizing the activities of the OIG.

In furtherance of the execution of this mission and of particular importance to OIG's annual plan development, the IG summarized what he considers to be the most serious management and performance challenges facing the Board and assessed the Board's progress in addressing those challenges.

Serious management and performance challenges are mission critical areas or programs that have the potential for a perennial weakness or vulnerability that, without substantial management attention, would seriously impact agency operations or strategic goals. In its first annual assessment (October 2014), the IG identified the following as the most serious management and performance challenges facing the Board:¹

1. Human capital management.
2. Internal controls.
3. Change management.

Through its Issue Area Monitor (IAM) program, OIG staff monitor Board performance on these management and performance challenges.

¹The challenges are not ranked in any order of importance.

PLANNING STRATEGY

The FY 2015 Annual Plan is based on the following:

- Knowledge gained through OIG audit and investigative activities performed to date pertaining to the Board and its operations.
- OIG's review of the Board's FY 2013 Performance and Accountability Report, which lists the Board's self-identified challenges at the time the document was issued.
- OIG interviews with the Board Chairman, Board Members, and Board management to obtain their views on audit and investigative priorities.
- OIG review of two separate assessments performed in 2012 by private consultants under contract to the Board to provide such assessments and the Board's response to these assessments.
- Management and performance challenges facing the Board as of October 2014 as identified by OIG.

AUDIT AND INVESTIGATION UNIVERSE

The Board, an independent executive branch agency established in September 1988, is charged with providing technical safety oversight of the Department of Energy's (DOE) defense nuclear facilities and activities in order to provide adequate protection of the health and safety of the public and workers. Its mission is to provide independent analysis, advice, and recommendations to the Secretary of Energy to inform the Secretary, as operator and regulator of DOE's defense nuclear facilities, in providing adequate protection of public health and safety at these facilities.

The Board is composed of five Presidentially appointed, Senate confirmed members who are required by law to be "respected experts" in the field of nuclear safety with a demonstrated competence and knowledge relevant to its independent investigative and oversight functions. Most of the Board's approximate 116 full-time equivalents work at the Board's Washington, DC, headquarters, and its FY 2014 budget was approximately \$28 million.

The Board's enabling statute assigns specific functions to the Board for accomplishing its safety oversight mission, including to:

- Review and evaluate the content and implementation of standards relating to the design, construction, operation, and decommissioning of DOE defense nuclear facilities at each facility, and recommend to the Energy Secretary specific measures needed to ensure that public health and safety are adequately protected.
- Investigate any event or practice at a DOE defense nuclear facility that the Board determines has adversely affected, or may adversely affect, public health and safety.
- Review the design of new DOE defense nuclear facilities before construction begins and recommend modifications of the design deemed necessary to ensure public health and safety.
- Make recommendations to the Energy Secretary pertaining to operation, standards, and research needs pertaining to DOE defense nuclear facilities that the Board deems necessary to ensure public health and safety. In making its recommendations, the Board shall consider, and specifically assess risk, and the technical and economic feasibility of implementing the recommended measures.

OIG's audit and investigation oversight responsibilities are derived from the Board's array of programs, functions, and support activities established to accomplish the Board's mission.

AUDIT STRATEGY

Effective audit planning requires current knowledge about the Board's mission and the programs and activities used to carry out that mission. Accordingly, OIG continually monitors specific issue areas to strengthen its internal coordination and overall planning process. Under the office's IAM program, staff designated as IAMs are assigned responsibility for keeping abreast of major Board programs and activities. The broad IAM areas address information management, nuclear safety, and corporate management. Appendix C contains a listing of the IAMs and the issue areas for which they are responsible.

The audit planning process yields audit assignments that will identify opportunities for efficiency, economy, and effectiveness in Board programs and operations; detect and prevent fraud, waste, and mismanagement; improve

program and security activities at headquarters and regional locations; and respond to emerging circumstances and priorities. The priority for conducting audits is based on (1) mandatory legislative requirements; (2) critical agency risk areas; (3) emphasis by the President, Congress, Board Chairman, or other Board Members; (4) a program's susceptibility to fraud, manipulation, or other irregularities; (5) dollar magnitude or resources involved in the proposed audit area; (6) newness, changed conditions, or sensitivity of an organization, program, function, or activities; (7) prior audit experience, including the adequacy of internal controls; and (8) availability of audit resources.

INVESTIGATION STRATEGY

OIG investigation strategies and initiatives add value to Board programs and operations by identifying and investigating allegations of fraud, waste, and abuse leading to criminal, civil, and administrative penalties and recoveries. By focusing on results, OIG has designed specific performance targets with an eye on effectiveness. Because the Board's mission is to protect public health and safety, the main investigative concentration involves alleged Board misconduct or inappropriate actions that could adversely impact health and safety-related matters. These investigations typically include allegations of:

- Misconduct by high-ranking Board officials and other Board officials, such as managers and inspectors, whose positions directly impact public health and safety.
- Failure by the Board's management to ensure that health and safety matters are appropriately addressed.
- Conflict of interest by Board employees with Board contractors.
- Indications of management or supervisory retaliation or reprisal.

OIG will also implement initiatives designed to monitor specific high-risk areas within the Board's corporate management that are most vulnerable to fraud, waste, and abuse. A significant focus will be on emerging information technology and national security issues that could negatively impact the security and integrity of Board data and operations. OIG is committed to improving the security of the constantly changing electronic business environment by investigating unauthorized intrusions and computer-related fraud, and by conducting computer forensic examinations. Other proactive initiatives will focus on determining instances of procurement fraud, theft of property, insider radicalization threats, and Government travel and purchase card abuse.

As part of these proactive initiatives, the OIG will meet with the Board's internal and external stakeholders to identify systemic issues or vulnerabilities. This approach will allow the identification of potential vulnerabilities and an opportunity to improve agency performance, as warranted.

OIG personnel will routinely interact with public interest groups, individual citizens, industry workers, and Board staff to identify possible lapses in the Board's regulatory oversight that could impact public health and safety. OIG will also conduct proactive initiatives and reviews into areas of current or future regulatory safety or security interest to identify emerging issues or address ongoing concerns regarding the quality of the Board's regulatory oversight.

Appendix D provides investigation objectives and initiatives for FY 2015. Specific investigations are not included in the plan because investigations are primarily responsive to reported violations of law and misconduct by Board employees and contractors, as well as allegations of irregularities or abuse in the Board's programs and operations.

PERFORMANCE MEASURES

For FY 2015, we will use a number of key performance measures and targets for gauging the relevancy and impact of our audit and investigative work. OIG calculates these measures in relation to each of OIG's strategic goals to determine how well we are accomplishing our objectives. The performance measures are:

1. Percentage of OIG audits undertaken and issued within a year.
2. Percentage of final Board actions taken within 2 years on audit recommendations.
3. Percentage of Board actions taken in response to investigative reports.
4. Percentage of active cases completed in less than 18 months.

OPERATIONAL PROCESSES

The following sections detail the approach used to carry out the audit and investigative responsibilities previously discussed.

AUDITS

OIG's audit process comprises the steps taken to conduct audits and involves specific actions, ranging from annual audit planning to performing audit followup. The underlying goal of the audit process is to maintain an open channel of communication between the auditors and Board officials to ensure that audit findings are accurate and fairly presented in the audit report.

OIG performs the following types of audits:

Performance – Performance audits focus on Board administrative and program operations and evaluate the effectiveness and efficiency with which managerial responsibilities are carried out, including whether the programs achieve intended results.

Financial – These audits, which include the financial statement audit required by the Accountability of Tax Dollars Act of 2002 and OMB Bulletin 14-02 (Audit Requirements for Federal Financial Statements), attest to the reasonableness of the Board's financial statements and evaluate financial programs.

Contract – Contract audits evaluate the costs of goods and services procured by the Board from commercial enterprises.

The key elements in the audit process are as follows:

Audit Planning – Each year, suggestions will be solicited from the Board, agency management, external parties, and OIG staff. An annual audit plan (i.e., this document) is developed and distributed to interested parties. It contains a listing of planned audits to be initiated during the year depending on availability of resources and the general objectives of the audits. The annual audit plan is a "living" document that may be revised as issues warrant.

Audit Notification – Formal notification is provided to the office responsible for a specific program, activity, or function, informing them of OIG’s intent to begin an audit of that program, activity, or function.

Entrance Conference – A meeting is held to advise Board officials of the objective(s), and scope of the audit, and the general methodology to be followed.

Survey – Exploratory work is conducted before the more detailed audit commences to gather data for refining audit objectives, as appropriate; documenting internal control systems; becoming familiar with the activities to be audited; and identifying areas of concern to management.

Audit Fieldwork – A comprehensive review is performed of selected areas of a program, activity, or function using an audit program developed specifically to address the audit objectives.

Discussion Draft Report – A discussion draft copy of the report is provided to Board management to allow them the opportunity to prepare for the exit conference.

Exit Conference – A meeting is held with the appropriate Board officials to discuss the discussion draft report. This meeting provides Board management the opportunity to confirm information, ask questions, and provide any necessary clarifying data.

Final Draft Report – If requested by Board management during the exit conference, a final draft copy of the report that includes comments from the exit conference is provided to the Board to obtain formal written comments.

Final Audit Report – The final report includes, as necessary, any revisions to the facts, conclusions, and recommendations of the draft report discussed in the exit conference or generated in written comments supplied by Board managers. Written comments are included as an appendix to the report. Some audits are sensitive and/or classified. In these cases, final audit reports are not made available to the public.

Response to Report Recommendations – Offices responsible for the specific program audited provide a written response on each recommendation (usually within 30 days) contained in the final report. Board management responses include a decision for each recommendation indicating agreement or disagreement with the recommended action. For agreement, Board management provides corrective actions taken or planned and actual or target dates for

completion. For disagreement, Board management provides their reasons for disagreement and any alternative proposals for corrective action.

Impasse Resolution – If the response by the action office to a recommendation is unsatisfactory, OIG may determine that intervention at a higher level is required.

Audit Followup and Closure – This process ensures that recommendations made to management are implemented.

INVESTIGATIONS

OIG's investigative process normally begins with the receipt of an allegation of fraud, mismanagement, or misconduct. Because a decision to initiate an investigation must be made within a few days of each referral, OIG does not schedule specific investigations in its annual investigative plan.

Investigations are opened in accordance with OIG priorities in consideration of prosecutorial guidelines established by the local U.S. attorneys for the Department of Justice (DOJ). OIG investigations are governed by the Council of the Inspectors General on Integrity and Efficiency Quality Standards for Investigations, the OIG Special Agent Handbook, and various guidance provided periodically by DOJ.

Only four individuals in the OIG can authorize the opening of an investigative case: the Inspector General (IG), the Deputy IG, the Assistant IG for Investigations, and the Senior Assistant for Investigative Operations. Every allegation received by OIG is given a unique identification number and entered into a database. Some allegations result in investigations, while others are retained as the basis for audits, referred to Board management, or, if appropriate, referred to another law enforcement agency.

When an investigation is opened, it is assigned to a special agent who prepares a plan of investigation. This planning process includes a review of the criminal and civil statutes, program regulations, and agency policies that may be involved. The special agent then conducts the investigation, and uses a variety of investigative techniques to ensure completion.

In cases where the special agent determines that a crime may have been committed, he or she will discuss the investigation with a Federal and/or local prosecutor to determine if prosecution will be pursued. In cases where a prosecuting attorney decides to proceed with a criminal or civil prosecution, the special agent assists the attorney in any preparation for court proceedings that may be required.

For investigations that do not result in prosecution but are handled administratively by the agency, the special agent prepares an investigative report summarizing the facts disclosed during the investigation. The investigative report is distributed to agency officials who have a need to know the results of the investigation. For investigative reports provided to agency officials, OIG requires a response within 120 days regarding action taken as a result of the investigative findings. OIG monitors corrective or disciplinary actions that are taken.

OIG collects data summarizing the criminal and administrative action taken as a result of its investigations and includes this data in its semiannual reports to Congress.

HOTLINE

The OIG Hotline Program provides Board employees, contract employees, and the public with a confidential means of reporting to the OIG instances of fraud, waste, and abuse relating to Board programs and operations.

Please Contact:

E-mail:	Online Form
Telephone:	1-800-233-3497
TDD	1-800-270-2787
Address:	U.S. Nuclear Regulatory Commission Office of the Inspector General Hotline Program Mail Stop O5-E13 11555 Rockville Pike Rockville, MD 20852

AUDITS PLANNED FOR FY 2015

Independent Evaluation of the Board's Implementation of the Federal Information Security Management Act (FISMA) for FY 2014

DESCRIPTION AND JUSTIFICATION:

The Federal Information Security Management Act (FISMA) was enacted on December 17, 2002. FISMA outlines the information security management requirements for agencies, including the requirement for an annual independent assessment by agency Inspectors General. In addition, FISMA includes provisions such as the development of minimum standards for agency systems, aimed at further strengthening the security of the Federal Government information and information systems. The annual assessments provide agencies with the information needed to determine the effectiveness of overall security programs and to develop strategies and best practices for improving information security.

FISMA provides the framework for securing the Federal Government's information technology including both unclassified and national security systems. All agencies must implement the requirements of FISMA and report annually to the Office of Management and Budget and Congress on the effectiveness of their security programs.

OBJECTIVE:

The objective is to conduct an independent evaluation of the Board's implementation of FISMA for FY 2014.

SCHEDULE:

Initiated in the 3rd quarter of FY 2014.

Audit of the Board's Travel Card and Travel Program

DESCRIPTION AND JUSTIFICATION:

The *Government Charge Card Abuse Prevention Act of 2012* (Charge Card Act), Public Law 112-194, requires all executive branch agencies to establish and maintain safeguards and internal controls for charge cards. The Office of Management and Budget provided supplemental guidance through Memorandum M-13-21, *Implementation of the Government Charge Card Abuse Prevention Act of 2012*, dated September 6, 2013. The guidance requires each agency head to provide an annual certification that the appropriate policies and controls are in place or that corrective actions have been taken to mitigate the risk of fraud and inappropriate charge card practices. The annual certification should be included as part of the existing annual assurance statement under the Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512(d)(2)).

Under the Charge Card Act, Inspectors General are required to conduct periodic risk assessments of agency charge card programs to analyze the risks of illegal, improper, or erroneous purchases. These risk assessments shall be used by OIG to determine whether an audit or review should be performed and what the nature, scope, and timing of the audit should be. OIG conducted a risk assessment for the Board Travel Card Program. As a result of this risk assessment, OIG has determined that an audit of the Board's Travel Card and Travel Program should be performed.

OBJECTIVE:

The audit objective is to determine whether internal controls are in place and operating effectively to maintain compliance with applicable travel card and travel program laws, regulations, and Board policies.

SCHEDULE:

Initiated in the 3rd quarter of FY 2014.

Audit of the Board's FY 2014 Financial Statements

DESCRIPTION AND JUSTIFICATION:

Under the Chief Financial Officers Act, as updated by the Accountability of Tax Dollars Act of 2002 and OMB Bulletin 14-02 (Audit Requirements for Federal Financial Statements), OIG is required to audit the financial statements of the Board. The report on the audit of the Board's financial statements is due on November 15, 2014. In addition, OIG will issue a report on the Board's implementation of the Federal Managers' Financial Integrity Act.

OBJECTIVES:

The audit objectives are to:

- Express opinions on the Board's financial statements and internal controls.
- Review compliance with applicable laws and regulations.
- Review the controls in the Board's computer systems that are significant to the financial statements.
- Assess the agency's compliance with Office of Management and Budget Circular A-123, Revised, Management's Responsibility for Internal Control.

SCHEDULE:

Initiated in the 3rd quarter of FY 2014.

Audit of the Board's Compliance with the Sunshine Act

DESCRIPTION AND JUSTIFICATION:

Public awareness plays a critical role in Federal oversight. The public must be kept informed and have the opportunity to participate in the regulatory processes as required by law. The Sunshine Act provides, with ten specified exemptions, that every portion of every meeting of an agency shall be open to public observation. It imposes procedural requirements to ensure that advance notice is given to the public before agency meetings take place. It also imposes procedural requirements an agency must follow before determining that one of the ten exemptions from the openness requirement applies. As a result, the Board has sought to include the public in a variety of ways, including through public meetings.

Public meetings are planned, formal encounters open to public observation between three or more board members where such deliberations determine or result in the joint conduct or disposition of official Board business.

However, the organization may conduct meetings that are closed to the public. Public disclosure may be withheld for matters relating to (1) national defense and foreign policy, (2) internal personnel rules and practices, (3) criminal investigations, (4) invasion of personal privacy concerns, and (5) other exceptions defined in 5 U.S.C. 552(b).

All Meetings closed to the public must state each relevant exceptive provision.

OBJECTIVE:

The audit objective will be to determine if the Board complies with the requirements of the Sunshine Act.

SCHEDULE:

Initiate in the 1st quarter of FY 2015.

Survey of the Board's Safety Culture and Climate

DESCRIPTION AND JUSTIFICATION:

Safety culture is defined as the complex sum of the mission, characteristics, and policies of an organization, and the thoughts and actions of its individual members which establish and support nuclear health and safety as overriding priorities. Climate refers to the current work environment which affects employees' performance and behavior.

Conducting an initial survey to evaluate the current safety culture and climate of the Board will facilitate identification of the organization's strengths and opportunities for improvement, as it continues to experience significant challenges. These challenges include the implementation of new policies and oversight mechanisms, staff turnover, operating with a reduced budget, and legislation that froze Federal civilian pay rates.

OBJECTIVES:

The survey objectives will be to:

- Measure the Board's safety culture and climate to identify areas of strength and opportunities for improvement.
- Provide, where practical, benchmarks for the qualitative and quantitative findings against other organizations.

SCHEDULE:

Initiate in the 1st quarter of FY 2015.

Audit of the Board's FY 2015 Financial Statements

DESCRIPTION AND JUSTIFICATION:

Under the Chief Financial Officers Act, as updated by the Accountability of Tax Dollars Act of 2002 and OMB Bulletin 14-02 (Audit Requirements for Federal Financial Statements), OIG is required to audit the financial statements of the Board. The report on the audit of the Board's financial statements is due on November 15, 2015. In addition, OIG will issue a report on the Board's implementation of the Federal Managers' Financial Integrity Act.

OBJECTIVES:

The audit objectives will be to:

- Express opinions on the Board's financial statements and internal controls.
- Review compliance with applicable laws and regulations.
- Review the controls in the Board's computer systems that are significant to the financial statements.
- Assess the agency's compliance with Office of Management and Budget Circular A-123, Revised, Management's Responsibility for Internal Control.

SCHEDULE:

Initiate in the 2nd quarter of FY 2015.

Audit of the Board's Process for Developing, Implementing, and Updating Policy Guidance

DESCRIPTION AND JUSTIFICATION:

The Board is an independent executive branch agency charged with providing technical safety oversight of the Department of Energy's defense nuclear facilities and activities in order to provide adequate protection for the health and safety of the public and workers. Like other Federal agencies, the Board should have a clear, organized strategy with well-defined documentation processes that contain an audit trail, verifiable results, and specify document retention periods. These requirements are set forth primarily in Office of Management and Budget Circular A-123, *Management's Responsibility for Internal Control*, and other Federal criteria.

Prior work conducted by other audit entities at the Board suggest that while the agency had some formal documentation to support agency activities, the policy documentation for the primary mission related activities within the agency was lacking.

OBJECTIVES:

The audit objectives will be to:

- Determine if the Board has an established process for developing, implementing and updating policy guidance for staff.
- Determine if the Board implemented the recently issued operating procedures at the Board member level
- Identify any opportunities to improve these processes.

SCHEDULE:

Initiate in the 2nd quarter of FY 2015.

Audit of the Board's Information Security Program

DESCRIPTION AND JUSTIFICATION:

The Board is an independent organization within the executive branch that advises the President and the Secretary of Energy on public health and safety issues at DOE defense nuclear facilities. Specifically, the Board reviews and evaluates the content and implementation of health and safety standards, as well as other requirements, relating to the design, construction, operation, and decommissioning of DOE defense nuclear facilities.

The Board's employees have a responsibility to handle sensitive information pertaining to defense nuclear facilities in accordance with Federal laws, policies, and regulations. Classified information has unique requirements governing access, dissemination, composition, and de-classification. Board personnel must therefore meet special training, security clearance, and "need to know" standards depending on the type of classified information they handle. Furthermore, Board facilities must meet specific security standards to help prevent loss of, or unauthorized access to, classified information. In addition to upholding classified information protection requirements, Board personnel must also take special precautions to safeguard sensitive unclassified information, which could include proprietary data, attorney-client privilege information, and personally identifiable information. These precautions extend beyond the handling and storage of hard copy documents to the storage, processing, and dissemination of electronic records as well.

OBJECTIVE:

The audit objective will be to determine if the Board handles sensitive and classified information in accordance with Federal regulations.

SCHEDULE:

Initiate in the 2nd quarter of FY 2015.

Independent Evaluation of the Board's Implementation of the Federal Information Security Management Act (FISMA) for FY 2015

DESCRIPTION AND JUSTIFICATION:

The Federal Information Security Management Act (FISMA) was enacted on December 17, 2002. FISMA outlines the information security management requirements for agencies, including the requirement for an annual independent assessment by agency Inspectors General. In addition, FISMA includes provisions such as the development of minimum standards for agency systems, aimed at further strengthening the security of the Federal Government information and information systems. The annual assessments provide agencies with the information needed to determine the effectiveness of overall security programs and to develop strategies and best practices for improving information security.

FISMA provides the framework for securing the Federal Government's information technology including both unclassified and national security systems. All agencies must implement the requirements of FISMA and report annually to the Office of Management and Budget and Congress on the effectiveness of their security programs.

OBJECTIVE:

The objective will be to conduct an independent evaluation of the Board's implementation of FISMA for FY 2015.

SCHEDULE:

Initiate in the 3rd quarter of FY 2015.

Assessment of the Board's Most Serious Management and Performance Challenges

DESCRIPTION AND JUSTIFICATION:

In January 2000, Congress enacted the Reports Consolidation Act of 2000, which requires Federal agencies to provide an annual report that would consolidate financial and performance management information in a more meaningful and useful format for Congress, the President, and the public. Included in the act is a requirement that, on an annual basis, IGs summarize the most serious management and performance challenges facing their agencies. Additionally, the act provides that IGs assess their respective agency's efforts to address the challenges.

OBJECTIVES:

The audit objectives will be to:

- Identify the most serious management and performance challenges facing the Board.
- Assess the Board's efforts to address the management and performance challenges.

SCHEDULE:

Initiate in the 3rd quarter of FY 2015.

Audit of the Board's Recommendation Followup Process

DESCRIPTION AND JUSTIFICATION:

In 1988 Congress established the Board in response to growing concerns about the level of health and safety protection that DOE was providing the public and workers at defense nuclear facilities. The Board commenced operations in October 1989. In its enabling legislation, the Board was tasked with reviewing and evaluating the content and implementation of the standards relating to the design, construction, operation, and decommissioning of defense nuclear facilities at each DOE defense nuclear facility. In carrying out this mission, the Board makes recommendations to the Secretary of Energy on those specific measures that should be adopted to ensure that public health and safety are adequately protected.

Although the Board has a system in place for tracking recommendations and commitments, an in-depth analysis of the system is necessary to ensure that it is performing satisfactorily.

OBJECTIVE:

The audit objective will be to determine if the Board's recommendation followup process is effective and efficient.

SCHEDULE:

Initiate in the 4th quarter of FY 2015.

Audit of the Board's Human Resources Process for Filling Vacancies

DESCRIPTION AND JUSTIFICATION:

The Office of Personnel Management (OPM) director requires agencies to establish and maintain a system of accountability for merit system principles. Agencies are further required to use guidance, measures, and metrics and to identify the measures used in agency accountability policies. OPM established the Human Capital Assessment and Accountability Framework (HCAAF) system as standards, including appropriate metrics for evaluators to use when assessing human capital management by Federal agencies. HCAAF's system components are (1) Strategic Alignment System, (2) Leadership/ Knowledge Management System, (3) Results-Oriented Performance Culture System, (4) Talent Management System, and (5) Accountability System.

The Talent Management System requires that agencies identify, through a systematic process, mission-critical occupations and competencies needed in the current and future workforce and develop a strategy to close any gaps. Accountability System guidelines require organizations to establish a comprehensive set of measures for each of the five systems to gauge organizational progress toward achieving human capital goals, to collect data and to make it available in a way that supports necessary analysis and decision-making. Human Resources Evaluators use agency processes and activities outlined in standards for the Accountability System to ensure that over time, the agency manages people efficiently and effectively in accordance with merit system principles, veterans' preference and related public policies. Agencies are required under 5 C.F.R. 250.203 to submit a Human Capital Management Report (HCMR) for review and approval annually. Evaluations begin with review of the HCMR.

OBJECTIVE

The audit objective will be to determine if the Board has identified mission-critical occupations and competencies and developed strategies to hire and retain staff in accordance with Federal standards.

SCHEDULE

Initiate in the 4th quarter of FY 2015.

APPENDIX B

**INVESTIGATIONS –
PRIORITIES, OBJECTIVES,
AND INITIATIVES FOR FY 2015**

INTRODUCTION

The Assistant Inspector General for Investigations (AIGI) has responsibility for developing and implementing an investigative program that furthers OIG's objectives. The AIGI's primary responsibilities include investigating possible violations of criminal statutes relating to the Board's programs and activities, investigating allegations of misconduct by Board employees, interfacing with the Department of Justice (DOJ) on OIG-related criminal matters, and coordinating investigations and OIG initiatives with other Federal, State, and local investigative agencies and other AIGIs.

Investigations covering a broad range of allegations concerning criminal wrongdoing or administrative misconduct affecting various Board programs and operations may be initiated as a result of allegations or referrals from private citizens; Board employees; Congress; other Federal, State, and local law enforcement agencies; OIG audits; the OIG Hotline; and proactive efforts directed at areas bearing a high potential for fraud, waste, and abuse.

This investigative plan was developed to focus OIG investigative priorities and use available resources most effectively. It provides strategies and planned investigative work for FY 2015. The most serious management and performance challenges facing the Board as identified by the Inspector General were also considered in the development of this plan.

PRIORITIES

The OIG will initiate approximately five investigations in FY 2015. Reactive investigations into allegations of criminal and other wrongdoing will claim priority on OIG's use of available resources. Because the Board's mission is to protect public health and safety, Investigations' main concentration of effort and resources will involve investigations of alleged Board staff misconduct that could adversely impact public health and safety related matters.

OBJECTIVES

To facilitate the most effective and efficient use of limited resources, Investigations has established specific objectives aimed at preventing and detecting fraud, waste, and abuse as well as optimizing the Board's effectiveness and efficiency. Investigations will focus its investigative efforts in areas, which include possible violations of criminal statutes relating to the Board's programs and operations and allegations of misconduct by Board employees.

INITIATIVES

- Investigate allegations that Board employees violated government-wide ethics regulations.
- Interact with public interest groups, individual allegeders, and industry workers to identify indications of lapses in the Board's regulatory oversight that could create safety and security problems.
- Maintain close working relationships with members of the intelligence community to identify and ameliorate vulnerabilities and threats to Board employees and resources.
- Proactively review and become knowledgeable in areas of Board staff emphasis to identify emerging issues that may require future OIG involvement.
- Take an aggressive stand to protect the Board's infrastructure against both internal and external computer intrusions by working in close coordination with the Board. This will include developing and disseminating information to assist in protecting Board computer systems and aggressively pursuing suspected computer intrusion incidents.
- Attempt to detect possible wrongdoing perpetrated against the Board's procurement and contracting program. This will include periodic meetings between OIG and Board management officials and a fraud awareness presentation by OIG special agents to Board contract specialists, project managers, project officers, and other identified employees.
- Coordinate with Board management officials in instances involving abuse of individual travel cards issued to agency employees as well as purchase cards issued for the procurement of supplies and equipment.
- Conduct fraud awareness and information presentations for Board employees and external stakeholders regarding the role of the OIG.

OIG Hotline

- Promptly process complaints received via the OIG Hotline. Initiate investigations when warranted and properly dispose of allegations that do not warrant OIG investigation.

Freedom of Information Act/Privacy Act

- Promptly process all requests for OIG information received under the Freedom of Information Act. Coordinate as appropriate with General Counsel to the IG and the Freedom of Information Act/Privacy Section.

Liaison Program

- Maintain close working relationships with other law enforcement agencies, public interest groups, and the Congress. This will be accomplished through periodic meetings with pertinent congressional staff, public interest groups, and appropriate law enforcement organizations.
- Maintain a viable regional liaison program to foster a closer working relationship with Board site offices.

ALLOCATION OF RESOURCES

Investigations undertakes both proactive initiatives and reactive investigations. Approximately 85 percent of available investigative resources will be used for reactive investigations. The balance will be allocated to proactive investigative efforts such as reviews of Board contract files, examinations of Board information technology systems to identify weaknesses or misuse by agency employees, reviews of delinquent Government travel and purchase card accounts, and other initiatives.

**ISSUE AREAS AND DESIGNATED
ISSUE AREA MONITORS**

ISSUE AREAS AND DESIGNATED ISSUE AREA MONITORS

Information Management

Lucky Singh
Jenny Cheung
Nandini Sharma

Nuclear Safety

Kevin Nietmann
Jacki Storch

Corporate Management

Lindsey Heeszal
Jimmy Wong

**ABBREVIATIONS
AND ACRONYMS**

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AIGI	Assistant Inspector General for Investigations
BOARD	Defense Nuclear Facilities Safety Board
DOE	U.S. Department of Energy
DOJ	U.S. Department of Justice
FISMA	Federal Information Security Management Act
FY	fiscal year
HCAAF	Human Capital Assessment and Accountability Framework
HCMR	Human Capital Management Report
IAM	Issue Area Monitor
IG	Inspector General
IT	information technology
NRC	U.S. Nuclear Regulatory Commission
OIG	Office of the Inspector General