



*Office of the Inspector General*  

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*U.S. Defense Nuclear Facilities Safety Board*

***Annual Plan***  

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*Fiscal Year 2016*

## FOREWORD

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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 (DNFSB), 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 2016 Annual Plan* for DNFSB. 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 2016.

Congress created DNFSB 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. DNFSB 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.

OIG sought input from DNFSB in 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

## TABLE OF CONTENTS

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MISSION AND AUTHORITY .....	1
PLANNING STRATEGY .....	2
AUDIT AND INVESTIGATION UNIVERSE .....	2
AUDIT STRATEGY .....	3
INVESTIGATION STRATEGY .....	3
PERFORMANCE MEASURES .....	5
OPERATIONAL PROCESSES .....	6
AUDITS .....	6
INVESTIGATIONS .....	8
HOTLINE .....	9
APPENDIXES	
A    AUDITS PLANNED FOR FY 2016	
Audit of DNFSB's FY 2015 Financial Statements .....	A-1
Independent Evaluation of DNFSB's Implementation of the Federal Information Security Management Act for Fiscal Year 2015 .....	A-2
Audit of DNFSB's Information Security Program .....	A-3
Audit of DNFSB's Oversight of Nuclear Facility Construction Projects .....	A-4
Audit of DNFSB's Process for Developing, Implementing, and Updating Policy Guidance .....	A-5
Audit of DNFSB's FY 2016 Financial Statements .....	A-6
Audit of DNFSB's Personnel Security Program .....	A-7
Audit of DNFSB's Human Resources Process for Filling Vacancies .....	A-8
Independent Evaluation of DNFSB's Implementation of the Federal Information Security Management Act for FY 2016 ...	A-9
Audit of DNFSB's Management of Change .....	A-10
Assessment of DNFSB's Most Serious Management and Performance Challenges .....	A-11
B    INVESTIGATIONS – PRIORITIES, OBJECTIVES, AND INITIATIVES FOR FY 2016	
C    ISSUE AREAS AND DESIGNATED ISSUE AREA MONITORS	
D    ABBREVIATIONS AND ACRONYMS	

## **MISSION AND AUTHORITY**

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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 (DNFSB), 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 DNFSB 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 DNFSB and assessed DNFSB's progress in addressing those challenges. In its latest annual assessment (October 2015), the IG identified the following as the most serious management and performance challenges facing DNFSB:<sup>1</sup>

1. Organizational culture and climate.
2. Management of security over internal infrastructure (personnel, physical, and cyber security) and nuclear security.
3. Human capital management.
4. Internal controls for technical and administrative/financial programs.

Through its Issue Area Monitor (IAM) program, OIG staff monitor DNFSB performance on these management and performance challenges. These challenges help inform decisions concerning which audits and evaluations to conduct each fiscal year.

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<sup>1</sup>The challenges are not ranked in any order of importance.

## **PLANNING STRATEGY**

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The FY 2016 Annual Plan is based on knowledge gained through OIG audit and investigative activities performed to date pertaining to DNFSB and its operations, work conducted under the IAM program, and management and performance challenges facing DNFSB as of October 2015 as identified by OIG.

## **AUDIT AND INVESTIGATION UNIVERSE**

DNFSB, 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.

DNFSB's 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 DNFSB's approximate 116 full-time equivalents work at the agency's Washington, DC, headquarters, and its FY 2014 budget was approximately \$28.5 million.

DNFSB's enabling statute assigns specific functions to the agency 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 DNFSB 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 DNFSB deems necessary to ensure public health and safety. In making its recommendations, DNFSB 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 DNFSB's array of programs, functions, and support activities established to accomplish its mission.

## **AUDIT STRATEGY**

Effective audit planning requires current knowledge about DNFSB'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 DNFSB 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 DNFSB 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 DNFSB 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 DNFSB's mission is to protect public health and safety, the main investigative concentration involves alleged DNFSB misconduct or inappropriate actions that could adversely impact health and safety-related matters. These investigations typically include allegations of

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

OIG will also implement initiatives designed to monitor specific high-risk areas within DNFSB'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 DNFSB 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 DNFSB'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 DNFSB staff to identify possible lapses in DNFSB'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 DNFSB's regulatory oversight.

Appendix B provides investigation objectives and initiatives for FY 2016. Specific investigations are not included in the plan because investigations are primarily responsive to reported violations of law and misconduct by DNFSB employees and contractors, as well as allegations of irregularities or abuse in DNFSB's programs and operations.

## **PERFORMANCE MEASURES**

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For FY 2016, we will use a number of key performance measures and targets for gauging the relevancy and impact of our audit and investigative work. The performance measures are:

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



## **OPERATIONAL PROCESSES**

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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 DNFSB 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 DNFSB 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 15-02 (Audit Requirements for Federal Financial Statements), attest to the reasonableness of DNFSB's financial statements and evaluate financial programs.

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

The key elements in the audit process are as follows:

**Audit Planning** – Each year, suggestions will be solicited from DNFSB, 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 DNFSB 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.

**End of Fieldwork Briefing With Agency** – At the conclusion of audit fieldwork, the audit team discusses the tentative report findings and recommendations with the auditee.

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

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

**Final Draft Report** – If requested by DNFSB management during the exit conference, a final draft copy of the report that includes comments from the exit conference is provided to DNFSB 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 DNFSB 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. DNFSB management responses include a decision for each recommendation indicating agreement or disagreement with the recommended action. For agreement, DNFSB management provides corrective actions taken or planned and actual or target dates for

completion. For disagreement, DNFSB 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 DNFSB 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 DNFSB 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:	<a href="#">Online Form</a>
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 2016**

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## **Audit of DNFSB's FY 2015 Financial Statements**

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### **DESCRIPTION AND JUSTIFICATION:**

Under the Chief Financial Officers Act, as updated by the Accountability of Tax Dollars Act of 2002 and Office of Management and Budget Bulletin 14-02 (Audit Requirements for Federal Financial Statements), OIG is required to audit DNFSB's financial statements. The report on the audit of DNFSB'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 are to

- Express opinions on DNFSB's financial statements and internal controls.
- Review compliance with applicable laws and regulations.
- Review the controls in DNFSB'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 2<sup>nd</sup> quarter of FY 2015.

### **MANAGEMENT CHALLENGE 4:**

Internal controls for technical and administrative/financial programs.

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## **Independent Evaluation of DNFSB's Implementation of the Federal Information Security Management Act for FY 2015**

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### **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 DNFSB's implementation of FISMA for FY 2015.

### **SCHEDULE:**

Initiated in the 3<sup>rd</sup> quarter of FY 2015.

### **MANAGEMENT CHALLENGE 2:**

Management of security over internal infrastructures (personnel, physical, and cyber security) and nuclear security.

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## **Audit of DNFSB's Information Security Program**

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### **DESCRIPTION AND JUSTIFICATION:**

DNFSB 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 declassification. DNFSB personnel must therefore meet special training, security clearance, and "need to know" standards depending on the type of classified information they handle. Furthermore, DNFSB 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, DNFSB 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 is to determine if DNFSB handles sensitive and classified information in accordance with Federal regulations.

### **SCHEDULE:**

Initiated in the 3<sup>rd</sup> quarter of FY 2015.

### **MANAGEMENT CHALLENGE 2:**

Management of security over internal infrastructures (personnel, physical, and cyber security) and nuclear security.



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## **Audit of DNFSB's Oversight of Nuclear Facility Construction Projects**

### **DESCRIPTION AND JUSTIFICATION:**

DNFSB's enabling legislation states that DNFSB shall (1) review and evaluate the content and implementation of standards relating to the design, construction, operation, and decommissioning of defense nuclear facilities, and (2) review the design of a new defense nuclear facility before construction begins and recommend modifications of the design to ensure adequate protection of public health and safety. Furthermore, during the construction of any such facility, DNFSB shall periodically review and monitor the construction and submit to the Secretary of Energy, within a reasonable time, such recommendations relating to the construction of that facility.

DNFSB's 2014-2018 Strategic Plan articulated a strategic goal of strengthening safety in design and identified two strategic objectives for accomplishing this strategic goal. The objectives include: 1) accomplish independent oversight to strengthen the use of approved nuclear standards in the design and construction of defense nuclear facilities and major modifications to existing facilities, and 2) accomplish independent safety oversight to enhance the clear and deliberate implementation of the principles and core functions of integrated safety management in the design, construction, and upkeep of safety systems in defense in defense nuclear facilities.

In the FY 2014 Congressional budget, Congress authorized design and construction projects for new DOE defense nuclear facilities with an estimated cost of \$20 billion. Therefore, DNFSB must effectively and efficiently oversee the construction of new nuclear facility construction projects in order to meet its mission and strategic objectives.

### **OBJECTIVE:**

The audit objective will be to assess the efficiency and effectiveness of DNFSB's oversight of nuclear facility construction projects.

### **SCHEDULE:**

Initiate in the 1<sup>st</sup> quarter of FY 2016.

### **MANAGEMENT CHALLENGE 4:**

Internal controls for technical and administrative/financial programs.

## **Audit of DNFSB's Process for Developing, Implementing, and Updating Policy Guidance**

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### **DESCRIPTION AND JUSTIFICATION:**

Like other Federal agencies, DNFSB should have a clear, organized strategy with well-defined documentation processes to support its activities 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 suggests that while DNFSB 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 DNFSB has an established process for developing, implementing and updating policy guidance for staff.
- Determine if DNFSB implemented the recently issued operating procedures at the Board member level
- Identify any opportunities to improve these processes.

### **SCHEDULE:**

Initiate in the 1<sup>st</sup> quarter of FY 2016.

### **MANAGEMENT CHALLENGE 4:**

Internal controls for technical and administrative/financial programs.

## **Audit of DNFSB's FY 2016 Financial Statements**

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### **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 DNFSB's financial statements. The report on the audit of DNFSB's financial statements is due on November 15, 2016.

### **OBJECTIVES:**

The audit objectives will be to:

- Express opinions on DNFSB's financial statements and internal controls.
- Review compliance with applicable laws and regulations.
- Review the controls in DNFSB'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 2<sup>nd</sup> quarter of FY 2016.

### **MANAGEMENT CHALLENGE 4:**

Internal controls for technical and administrative/financial programs.

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## **Audit of DNFSB's Personnel Security Program**

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### **DESCRIPTION AND JUSTIFICATION:**

All DNFSB staff must undergo periodic background investigations. Once an individual has successfully completed the background investigation, he or she is granted a top secret, or "Q" level, security clearance. The ability to obtain and maintain a "Q" level security clearance is a condition of employment with the Board. Certain staff must also participate in a Human Reliability Program. This program is a security and safety reliability program designed to ensure that individuals who occupy positions giving access to certain materials, nuclear explosive devices, facilities, and programs meet the highest standards of reliability and physical and mental suitability.

### **OBJECTIVE:**

The audit objectives will be to determine whether (1) DNFSB is in compliance with external and internal personnel security requirements and (2) the personnel security program is effective.

### **SCHEDULE:**

Initiate in the 2<sup>nd</sup> quarter of FY 2016.

### **MANAGEMENT CHALLENGE 2:**

Management of security over internal infrastructures (personnel, physical, and cyber security) and nuclear security.

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**Audit of DNFSB's Human Resources Process for Filling Vacancies**

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**DESCRIPTION AND JUSTIFICATION:**

The Office of Personnel Management 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. The Office of Personnel Management 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. Human resources evaluators use agency processes and activities outlined in standards for the HCAAF 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.

The 2015 DNFSB Culture and Climate Survey conducted by OIG suggests that DNFSB's process for hiring and retaining staff needs improvement. There is a perception among DNFSB staff that the agency is not attracting and retaining the right talent. Moreover, survey results reflect that 38 percent of DNFSB employees plan to leave in the next year.

**OBJECTIVE:**

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

**SCHEDULE:**

Initiate in the 3<sup>rd</sup> quarter of FY 2016.

**MANAGEMENT CHALLENGE 3:**

Human capital management.

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## **Independent Evaluation of DNFSB's Implementation of the Federal Information Security Management Act for FY 2016**

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### **DESCRIPTION AND JUSTIFICATION:**

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 DNFSB's implementation of FISMA for FY 2016.

### **SCHEDULE:**

Initiate in the 3<sup>rd</sup> quarter of FY 2016.

### **MANAGEMENT CHALLENGE 2:**

Management of security over internal infrastructures (personnel, physical, and cyber security) and nuclear security.

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## **Audit of DNFSB's Management of Change**

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### **DESCRIPTION AND JUSTIFICATION:**

Change management consists of the processes, tools, and techniques for managing change. Change management is frequently used in private industry and government organizations to facilitate and monitor implementation of a major change. Most change processes contain three phases that respectively address (1) preparing for change, (2) managing change, and (3) reinforcing change.

Change management is typically applied in a graded approach with more structure, oversight, and effort for more significant and potentially difficult changes. It has proven effective in implementing technical system changes, such as new software systems for recording time and attendance, as well as organizational changes, such as the establishment of new offices.

DNFSB's ability to effectively manage organizational, technical, and procedural change is a critical performance characteristic which can significantly affect DNFSB's ability to successfully carry out its mission.

### **OBJECTIVE:**

The audit objective will be to assess the efficiency and effectiveness of DNFSB's management of change.

### **SCHEDULE:**

Initiate in the 4<sup>th</sup> quarter of FY 2016.

### **MANAGEMENT CHALLENGE 1:**

Organizational culture and climate.

## **Assessment of DNFSB's Most Serious Management and Performance Challenges**

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### **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, Inspectors General [IG] 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 objectives will be to:

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

### **SCHEDULE:**

Initiate in the 3<sup>rd</sup> quarter of FY 2016.

### **MANAGEMENT CHALLENGES 1 THROUGH 4:**

Addresses all of the management challenges.



**INVESTIGATIONS –  
PRIORITIES, OBJECTIVES,  
AND INITIATIVES FOR FY 2016**

## **INTRODUCTION**

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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 DNFSB'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 DNFSB programs and operations may be initiated as a result of allegations or referrals from private citizens; DNFSB 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 2016. The most serious management and performance challenges facing DNFSB as identified by the Inspector General were also considered in the development of this plan.

## **PRIORITIES**

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The OIG estimates it will initiate approximately five investigations in FY 2016. Reactive investigations into allegations of criminal and other wrongdoing will claim priority on OIG's use of available resources. Because DNFSB's mission is to protect public health and safety, Investigations' main concentration of effort and resources will involve investigations of alleged DNFSB staff misconduct that could adversely impact public health and safety related matters.

## **OBJECTIVES**

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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 DNFSB's effectiveness and efficiency. Investigations will focus its investigative efforts in areas, which include possible violations of criminal statutes relating to DNFSB's programs and operations and allegations of misconduct by DNFSB employees.

## INITIATIVES

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- Investigate allegations that DNFSB employees violated governmentwide ethics regulations.
- Interact with public interest groups, individual allegeders, and industry workers to identify indications of lapses in DNFSB'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 DNFSB employees and resources.
- Proactively review and become knowledgeable in areas of DNFSB staff emphasis to identify emerging issues that may require future OIG involvement.
- Take an aggressive stand to protect DNFSB's infrastructure against both internal and external computer intrusions by working in close coordination with DNFSB. This will include developing and disseminating information to assist in protecting DNFSB computer systems and aggressively pursuing suspected computer intrusion incidents.
- Attempt to detect possible wrongdoing perpetrated against DNFSB's procurement and contracting program. This will include periodic meetings between OIG and DNFSB management officials and a fraud awareness presentation by OIG special agents to DNFSB contract specialists, project managers, project officers, and other identified employees.
- Coordinate with DNFSB 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 DNFSB employees and external stakeholders regarding the role of the OIG.
- As appropriate, investigate allegations of misconduct by DNFSB employees and contractors.

**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 DNFSB site offices.

**ALLOCATION OF RESOURCES**

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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 DNFSB contract files, examinations of DNFSB 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**

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## **ISSUE AREAS AND DESIGNATED ISSUE AREA MONITORS**

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### **Information Management**

Paul Rades  
Beth Serepca

### **Nuclear Safety**

George Gusack  
Jacki Storch  
John Thorp

### **Corporate Management**

Jimmy Wong

**ABBREVIATIONS  
AND ACRONYMS**

## **ABBREVIATIONS AND ACRONYMS**

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