



Highlights of [GAO-05-828](#), a report to congressional committees

### Why GAO Did This Study

The National Defense Authorization Act for FY 2004 mandated that we assess the management of threat reduction and nonproliferation programs that the Departments of Defense and Energy each administer. The objective of this report is to assess how the Department of Energy's National Nuclear Security Administration (NNSA) implements management controls, which we define here to be the processes ensuring that work done under a contract meets contract specifications and that payments go to contractors as intended.

### What GAO Recommends

To create effective management controls, we recommend that the Secretary of Energy, working with the Administrator of NNSA, require that: (1) NNSA develop guidance for implementing and documenting management controls, (2) program managers have quick access to key contract records, regardless of the records' location, and (3) NNSA perform periodic reviews of its management controls to ensure their effectiveness. NNSA accepted our recommendations but took issue with our assessment of management controls in some cases. We believe that the facts support our assessment and that the implementation of our recommendations will improve the effectiveness of the management controls we reviewed.

[www.gao.gov/cgi-bin/getrpt?GAO-05-828](http://www.gao.gov/cgi-bin/getrpt?GAO-05-828).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Gene Aloise, 202-512-3841, aloisee@gao.gov.

## NUCLEAR NONPROLIFERATION

# Better Management Controls Needed for Some DOE Projects in Russia and Other Countries

### What GAO Found

Two NNSA offices, the Office of Nuclear Risk Reduction (designated by NNSA as NA-23) and International Material Protection and Cooperation (NA-25), documented management controls for almost all of their contracts that we reviewed, but the third office, the Office of Nonproliferation and International Security (NA-24), did not document controls for most of their contracts because they could not provide the required documentation. More specifically, for eight of the nine NA-23 and NA-25 contracts we reviewed, the NA-23 headquarters staff and the laboratory staff that manage the contracts for NA-25 provided to us complete records of deliverables and invoices, as well as evidence that technical officials reviewed and approved the deliverables and contract officers reviewed and approved the invoices. (For the ninth contract, NA-25 provided us with incomplete documentation of its controls.) In addition, NA-23 and NA-25 each apply procedural guidance that assists managers in maintaining these controls. However, according to an NNSA official, none of the three offices currently perform periodic reviews to ensure their existing management controls remain appropriate.

In contrast, we were unable to determine if NA-24 implements management controls because, for seven of the nine contracts we reviewed, the documentation it provided to us was in most cases either incomplete or it provided no clear audit trail that we could follow. (Documentation was complete for the eighth and ninth contracts.) The types of documents that were missing varied across and within some contracts. In addition, NA-24 does not provide its contract managers with procedural guidance on how to maintain its management controls, nor does it perform a periodic review of its controls to ensure the controls are effective and appropriate.

**Table 1: NNSA Documentation of Management Controls in Nuclear Nonproliferation Contracts, by Number of Contracts**

NNSA Office	Documents complete and management controls evident	Documents and/or approvals incomplete	Documents provide no clear audit trail	Total
NA-23	2	0	0	2
NA-24	2	4	3	9
NA-25	6	1	0	7

Source: GAO.