

Office of Independent Oversight and Performance Assurance

Executive Summary

Mission

The Office of Independent Oversight and Performance Assurance (OA) is the Department's exclusive focal point for independent evaluations of nuclear safeguards and security; environment, safety, and health; cyber security; and emergency management. The Office has the expertise and skilled personnel needed to efficiently provide the Department's line management with the tools and independent program assessments required to preserve and effectively protect critical national security and environment, safety, and health interests at Department of Energy (DOE) and National Nuclear Security Administration (NNSA) sites.

The Office provides information needed to ensure that the Secretary of Energy, the NNSA Administrator, and Congress have an accurate, comprehensive understanding of the effectiveness of the Department's safeguards and security; environment, safety, and health; cyber security; and emergency management policies and programs, as well as the vulnerabilities and important trends associated with these programs. The Office provides this information by conducting safeguards and security evaluations; environment, safety, and health evaluations; cyber security reviews; and emergency management reviews.

OA is funded in the Other Defense Activities appropriation. Activities funded through this appropriation include: safeguards and security evaluations and special analysis, environment, safety, and health evaluations, cyber security and special reviews, emergency management oversight, and program direction.

Strategic Objective

CM5: Reduce adverse security incidents, worker injuries, and environmental releases through policy development, counterintelligence, intelligence, and oversight of the Nation's energy infrastructure, nuclear weapons, materials, facilities, and information assets.

This strategic objective is supported by the Program Strategic Performance Goal that follows:

CM5-4: Provide inspections and reviews that contribute to improved environmental protection, enhanced safety and health of DOE employees, contractors, and the public, as well as enhanced safeguards and security of assets throughout the DOE complex, by identifying and reducing vulnerabilities from environment, safety, and health risks, and threats to national security interests.

Strategy

Ensure that the Department's policies for safeguarding the Nation's energy infrastructure, nuclear weapons, materials, facilities, information assets, and protection of environment, safety, and health are being effectively implemented at all levels.

To accomplish this objective, OA conducts independent oversight evaluations that provide a comprehensive status of the effectiveness of nuclear safeguards and security; environment, safety, and health; cyber security; and emergency management programs at DOE and NNSA facilities. These evaluations provide the Secretary of Energy and the NNSA Administrator an independent view of the status of these programs throughout the complex.

OA provides a standard corporate independent oversight process to assess the effectiveness of these programs throughout DOE and NNSA. The Office conducts the independent oversight mission in an open, trustworthy, and responsive manner. To accomplish this goal, OA's objectives are: (1) establish and implement programs that strengthen trust and confidence in safeguards and security; environment, safety, and health; cyber security; and emergency management oversight programs; and (2) promote continuous improvement to ensure national security assets are adequately protected.

To effectively carry out its mission, the Office requires a staff with the expertise and skill necessary to assess and report on the effectiveness of programs designed to protect and preserve national security interests at DOE sites. An OA staffing plan has identified the most critical functions and has closely matched personnel to fit those needs. The Federal staff will remain constant at 66 full-time equivalents in FY 2003 and FY 2004. OA has also analyzed its utilization of support contractors and has established specific criteria for their limited use.

While OA has some unique national-level experts on its Federal staff, technical contractual services continue to be a more practical and cost-effective way to obtain national-level expertise, providing a surge pool of technical expertise on an as-needed basis. The evolving needs for national-level expertise in a multitude of security disciplines can best be met through the use of contractors who can rapidly respond to the continually changing skills mix required of OA activities across DOE.

Office of Independent Oversight and Performance Assurance

Program Mission

The Office of Independent Oversight and Performance Assurance (OA) is a corporate resource that performs independent oversight to verify that Department of Energy (DOE) security interests are protected, that DOE can respond to emergencies, and that workers, the public, and the environment are protected from hazardous materials used at DOE sites. The highest priority of all independent oversight activities is sustained excellence and continuous improvement in the protection of departmental critical assets.

Oversight activities provide the Secretary of Energy, the Administrator of the National Nuclear Security Administration (NNSA), and Congress with an independent and unfiltered view of the status of nuclear safeguards and security; environment, safety, and health; cyber security; and emergency management policies and programs within DOE and NNSA. These activities include safeguards and security evaluations; performance testing; environment, safety, and health evaluations; cyber security reviews; emergency management reviews; and special reviews. The Office also conducts other oversight activities that the Secretary of Energy or the NNSA Administrator may direct.

Program Strategic Performance Goal

CM5-4: Provide inspections and reviews that contribute to improved environmental protection, enhanced safety and health of DOE employees, contractors, and the public, as well as enhanced safeguards and security of assets throughout the DOE complex, by identifying and reducing vulnerabilities from environment, safety, and health risks, and threats to national security interests.

Performance Indicators

- The Office of Independent Oversight and Performance Assurance tracks the progress of the effectiveness of the Department's safeguards, security, cyber security, emergency management, environment, safety, and health programs through measuring:
 - Reportable events that impact national security;
 - Cyber attacks on DOE classified and unclassified information technology systems that lead to a breach in security;
 - Trained and qualified emergency response personnel;
 - Injury and illness rates and environmental releases; and
 - Overdue corrective actions.

Annual Performance Results and Targets

FY 2002 Results*	FY 2003 Targets *	FY 2004 Targets
<p>Conduct 8 safeguards and security evaluations and report the baseline of findings in a database designed to track and measure improvement in these areas at sites throughout the Department.</p> <p>Met Goal</p> <p>Expand the program to include the Department's integrated safeguards and security management initiative. Conduct 12 limited scope and/or special reviews to evaluate specific topics and corrective actions.</p> <p>Met Goal</p>	<p>Conduct 6 safeguards and security evaluations and report the baseline of findings in a database designed to track and measure improvement in these areas at sites throughout the Department. Conduct evaluations of the Department's integrated safeguards and security management initiative. Conduct 14 limited scope and/or special reviews to evaluate specific topics and corrective actions.</p>	<p>Conduct 6 safeguards and security evaluations and report the baseline of findings in a database designed to track and measure improvement in these areas at sites throughout the Department. Conduct evaluations of the Department's integrated safeguards and security management initiative. Conduct 14 limited scope and/or special reviews to evaluate specific topics and corrective actions.</p>
<p>Conduct 8 environment, safety, and health evaluations at Departmental sites and establish a baseline of findings. Conduct 7 limited scope and/or special reviews. Conduct focus reviews on integrated safety management and implementation of DOE systems to protect workers, the public, and environment.</p> <p>Met Goal</p>	<p>Conduct 6 environment, safety, and health evaluations at Departmental sites and report the baseline of findings. Conduct 9 limited scope and/or special reviews. Conduct focus reviews on integrated safety management and implementation of DOE systems to protect workers, the public, and the environment.</p>	<p>Conduct 6 environment, safety, and health evaluations at Departmental sites and report the baseline of findings. Conduct 9 limited scope and/or special reviews. Conduct focus reviews on integrated safety management and implementation of DOE systems to protect workers, the public, and the environment.</p>
<p>Conduct 9 dedicated oversight reviews of emergency management issues. Conduct 6 limited scope and/or special reviews to evaluate specific topics and corrective actions.</p> <p>Met Goal</p>	<p>Conduct 6 dedicated oversight reviews of emergency management issues. Conduct 9 limited scope and/or special reviews to evaluate specific topics and corrective actions.</p>	<p>Conduct 6 dedicated oversight reviews of emergency management issues. Conduct 9 limited scope and/or special reviews to evaluate specific topics and corrective actions.</p>

* The FY 2002 results and FY 2003 targets have been revised to ensure more comprehensive evaluations of high-risk sites that support national security activities and protect national security interests. This shift is a direct result of 9/11 events.

FY 2002 Results*	FY 2003 Targets *	FY 2004 Targets
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Perform 8 cyber security inspections per year. Expand testing to include additional threats to networks and computer systems. Conduct 6 limited scope and/or special reviews to evaluate specific topics and corrective actions.

Met Goal

Perform 6 cyber security inspections per year. These inspections results determine the improvement of cyber security, offsite monitoring of Internet security, and controlled attempts to penetrate security firewalls. Conduct testing to include additional threats and hacker techniques as they emerge. Conduct 8 limited scope and/or special reviews to evaluate specific topics and corrective actions.

Perform 6 cyber security inspections per year. These inspections results determine the improvement of cyber security, offsite monitoring of Internet security, and controlled attempts to penetrate security firewalls. Conduct testing to include additional threats and hacker techniques as they emerge. Conduct 8 limited scope and/or special reviews to evaluate specific topics and corrective actions.

*Establish a program to evaluate the performance of DOE sites in safeguards and security, environment, safety, and health, cyber security, and emergency management. Conduct special complex-wide reviews of topics as directed by senior DOE management. ***

Met Goal

Conduct evaluations of the performance of DOE sites in safeguards and security, environment, safety, and health, cyber security, and emergency management. Conduct special complex-wide reviews of topics as directed by senior DOE management.

Conduct evaluations of the performance of DOE sites in safeguards and security, environment, safety, and health, cyber security, and emergency management. Conduct special complex-wide reviews of topics as directed by senior DOE management.

* The FY 2002 results and FY 2003 targets have been revised to ensure more comprehensive evaluations of high-risk sites that support national security activities and protect national security interests. This shift is a direct result of 9/11 events.

** This activity was added to further define and refine special studies as delineated by senior DOE management.

Specific Program Performance Goals

In addition to the Program Strategic Performance Goals, the following specific program goals are also supported within the budget request:

- Conduct consistent, multi-disciplinary, credible processes for independently evaluating the effectiveness of safeguards and security; environment, safety, and health; cyber security; and emergency management programs;
- Promote actions that prevent recurrence of national security problems;
- Ensure initiatives relative to safeguards and security; environment, safety, and health; cyber security; and emergency management operations throughout the complex are analyzed and the results disseminated as appropriate; and
- Determine whether follow-up and corrective actions for safeguards and security; environment, safety, and health; cyber security; and emergency management oversight activities are effective.

Significant Accomplishments and Program Shifts

OA is a direct report to the Secretary and Deputy Secretary of Energy. As such, the Office provides the Secretary, the Deputy Secretary, the NNSA Administrator, and senior Departmental managers with an independent assessment of the effectiveness of DOE policy and its implementation throughout the complex in the areas of nuclear safeguards and security; environment, safety, and health; cyber security; emergency management; and other critical functions. The Office focuses on all aspects of safeguards and security, including physical protection of special nuclear material, accountability of special nuclear material, protection of classified and sensitive information, personnel security, protective forces, foreign visits and assignments, and protection program management. The Office also evaluates environment, safety, and health program implementation and operations, including evaluations of integrated safety management and selected environment, safety, and health topics such as radiation protection and industrial safety. Further, the Office evaluates the effectiveness of classified and unclassified cyber security policies and programs, including network protection, risk management, technical implementation, and configuration management. The Office establishes and maintains a program for assessing Internet security to include offsite scanning and controlled penetration attempts to detect vulnerabilities that could be exploited by hackers. The Office also provides independent oversight of all aspects of emergency management programs, including hazards assessment, protective actions, emergency response, emergency public information, and offsite interfaces. To avoid duplication of effort, the Office is the exclusive focal point for the Secretary of Energy's oversight of safeguards and security; environment, safety, and health; cyber security; and emergency management.

Safeguards and Security Evaluations

- Conduct an ongoing program of safeguards and security evaluations, limited scope and/or special reviews of major sites annually, to determine the effectiveness of the protection of nuclear weapons components, special nuclear material, and classified and sensitive information. Continue to revise and refine evaluation methods and procedures that focus on the principal elements of the safeguards and security program. This includes the dissemination of useful tools to increase the effectiveness of field programs. FY 2002 safeguards and security evaluations were conducted at Lawrence Livermore National Laboratory, Pantex, Rocky Flats, the Office of Transportation Safeguards, DOE Headquarters, the Kansas City Plant, Y-12, and other selected sites. These activities often include performance tests using weapons simulation systems to perform realistic tactical security engagements between an oversight adversary force and the inspected site protection force to assess overall security performance effectiveness. This activity also includes the dissemination of useful tools to increase the effectiveness of the oversight program. This program infrastructure provides policies, procedures, handbooks, and tools for an effective independent oversight program. The performance measure associated with this activity is to conduct safeguards and security evaluations, limited scope and/or special reviews in FY 2003 and FY 2004 to provide an independent assessment of the status of safeguards and security programs for the Secretary of Energy. Plans for FY 2003 include evaluations at sites such as: Argonne National Laboratory-West, Los Alamos National Laboratory, Savannah River, Hanford, and the Nevada Test Site. The oversight process has been streamlined through efficiencies of operations. (FY02: \$5,857; FY03: \$6,287; FY04: \$6,033)

Special Analysis

- OA will also perform special reviews and studies of policies, programs, and their implementation in the field to identify needed program corrections. The performance measure associated with this activity is to conduct special complex-wide reviews of selected safeguards and security; cyber security; emergency management; environment, safety and health topics, including integrated safeguards and security management, to determine their effectiveness across the complex. The oversight process has been streamlined through efficiencies of operations. (FY02: \$600; FY03: \$600; FY04: \$500)

Environment, Safety, and Health Evaluations

- Conduct project and program evaluations, limited scope, and/or special reviews annually that focus on integrated safety management implementation and the effectiveness of environment, safety, and health programs such as radiation protection, criticality safety, industrial hygiene, and occupational medicine. Environment, safety, and health evaluations during FY 2002 included Kansas City, Hanford, Argonne National Laboratory-East, Los Alamos National Laboratory, Lawrence Livermore National Laboratory, Waste Isolation Pilot Plant (WIPP), Oak Ridge National Laboratory Health Services and other selected sites. As part of these reviews, OA evaluates environmental compliance in accordance with Executive Orders and applicable regulations. The independent oversight of these programs promotes the protection of workers, the public, and the environment. As part of the review of integrated safety management, OA reviews management systems such as self-assessments, lessons learned, deficiency tracking, root cause analysis, and reporting of compliance deficiencies and events. OA promotes improvement in these management systems to reduce recurrences of events and accidents. These evaluations provide a significant benefit to the Department by improving safety and assuring more efficient use of Department resources. The performance measure associated with this activity is to conduct evaluations and limited scope and/or special reviews in FY 2003 and FY 2004. Plans for FY 2003 include evaluations at sites such as: Nevada Test Site, Pantex Plant, Sandia National Laboratory, Y-12, and Oak Ridge. (FY02: \$4,000; FY03: \$4,000; FY04: \$4,000)

Cyber Security and Special Reviews

- The program of continuous inspections and no-notice reviews of DOE computer systems, to include offsite scanning and controlled penetration attempts, will be sustained to detect vulnerabilities that could be exploited by hackers and to determine whether line management corrects these vulnerabilities. During FY 2002, cyber security inspections were conducted at Lawrence Livermore National Laboratory, the Y-12 Plant, DOE Headquarters, Pantex, Rocky Flats, the Office of Transportation Safeguards, the Kansas City Plant, other selected sites, and of the DOE SecureNET System. FY 2002 cyber security external and internal network assessments were conducted at the Albuquerque Operations Office and other selected sites. The performance measure associated with this activity is to perform cyber security inspections, limited scope and/or special reviews, offsite monitoring of Internet security, and penetration tests at major Departmental sites. Performance testing is conducted at the DOE site being assessed or from OA's remote vulnerability testing laboratory connected to the Internet. The focus of performance testing includes identification of network vulnerabilities that could be exploited; evaluation of the effectiveness of firewalls;

evaluation of intrusion detection and system monitoring capabilities; and evaluation of other aspects of network security. In order to accomplish this focus, the following is required: a cyber security laboratory that can be used to conduct penetration testing and a suite of deployable cyber security testing equipment that can be used to support onsite performance testing associated with OA's assessments of DOE networks. It is essential to have the necessary computer hardware and software for an effective cyber security laboratory. Cyber security performance testing capability is needed to meet current operational demands and make improvements to the remote vulnerability testing program. The program needs to simulate architectures and evaluate exploitation techniques associated with potential vulnerabilities, including the ability to introduce malicious code. The penetration assessment laboratory is a multi-faceted offensive/defensive computer security network resource. The laboratory capability is consistent with both the attack resources employed by the hacker community, and the practices and systems of the computer security industry. This activity includes development of a tracking system that provides for retention, storing, tracking, and retrieval of OA's products, as well as linkage to DOE information databases and other information sources. This program also develops technology tools to provide information and analysis of the lessons learned, trends, and status of safeguards and security, environment, safety, and health, cyber security, and emergency management performance across the complex. The performance measure associated with this activity is to perform cyber security inspections, limited scope and/or special reviews to evaluate specific topics and corrective actions in FY 2003 and FY 2004. Plans for FY 2003 include evaluations at sites such as: Los Alamos National Laboratory, Savannah River, Hanford, Chicago Operations Office, and the Nevada Test Site. (FY02: \$967; FY03: \$967; FY04: \$967)

Emergency Management Oversight

- OA will perform annual inspections of critical emergency management operations at major DOE sites and Headquarters. These field sites have significant amounts of special nuclear material or other hazards. FY 2002 emergency management oversight program reviews were conducted at Lawrence Livermore National Laboratory, the Y-12 Plant, the Kansas City Plant, DOE Headquarters, Los Alamos National Laboratory, Argonne National Laboratory-East, Oak Ridge National Laboratory, Waste Isolation Pilot Plant, and selected other sites. The program is also reviewing selected site emergency management exercises. The performance measure associated with this activity is to conduct dedicated oversight reviews of emergency management issues, limited scope and/or special reviews to evaluate specific topics and corrective actions in FY 2003 and FY 2004. Plans for FY 2003 include evaluations at sites such as: Nevada Test Site, Pantex Plant, Office of Transportation Safeguards, Sandia National Laboratory, Idaho, and Oak Ridge. (FY 02: \$800; FY03: \$800; FY04: \$800)

Salaries and Benefits

- Salaries and Benefits for FY 2004 provide for 66 Federal full-time equivalents (FTE) based on the Department's Strategic Alignment Initiative end-of-year allocations. Requested salaries and benefits funding reflects the latest escalation rate. The requested funding for FY 2004 represents the resources needed to support the program in FY 2004. (FY02: \$7,562; FY03: \$7,562; FY04: \$8,174)

Travel

- Travel requirements are consistent with support for OA Federal staff. Travel includes all costs of transportation, subsistence, and incidental travel expenses of OA's Federal employees in accordance with Federal Travel Regulations. The oversight process has been streamlined through efficiencies of operations. (FY02: \$1,065; FY03: \$943; FY04: \$800)

Other Related Expenses

- Other related expenses include OA's Working Capital Fund charges for rental of office space, building maintenance and occupancy, telephone and network communication costs, utilities, computer/video support, printing and graphics, photocopying, mail service, office supplies and equipment, electronic services, payroll processing, contract closeouts, the Online Learning Center, and the Corporate Human Resources Information System. This includes tuition/training costs for OA's Federal employees. A Working Capital Fund was established in FY 1997 to allocate the cost of common administrative services to the recipient organizations. (FY02: \$1,353; FY03: \$1,271; FY04: \$1,301)

Funding Profile

	FY 2002 Comparable Appropriation	FY 2003 Request	FY 2004 Request	\$ Change	% Change
Independent Oversight and Performance Assurance					
Safeguards and Security Evaluations	5,857	6,287	6,033	-254	- 4.0%
Special Analysis	600	600	500	-100	-16.7%
Environment, Safety, and Health Evaluations	4,000	4,000	4,000	0	0.0%
Cyber Security and Special Reviews	967	967	967	0	0.0%
Emergency Management Oversight	800	800	800	0	0.0%
Salaries and Benefits	7,562	7,562	8,174	+612	+ 8.1%
Travel	1,065	943	800	-143	-15.2%
Other Related Expenses	1,353	1,271	1,301	+ 30	+ 2.4%
Subtotal, Independent Oversight and Performance Assurance	22,204	22,430	22,575	+145	+ 0.6%
Use of Prior Year Balances	-158				
Administration and Travel Rescission	- 20				
Total, Independent Oversight and Performance Assurance	22,026	22,430	22,575	+145	+ 0.6%
Additional net budget authority to cover the cost of fully accruing retirement (non-add)	(182)	(185)	(188)	(+ 3)	(+ 1.6%)

Public Law Authorizations:

P.L. 107-314, "Bob Stump National Defense Authorization Act for FY 2003"

**Other Defense Activities/
Independent Oversight and Performance Assurance/
Program Mission**

FY 2004 C reSSIONAL Budget

Staffing Profile

(Whole FTEs)

FY 2002 Comparable Appropriation	FY 2003 Request	FY 2004 Request
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Total, Full Time Equivalents.....	66	66	66
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Funding by Site

(dollars in thousands)

	FY 2002	FY 2003	FY 2004	\$ Change	% Change
Albuquerque Operations Office^a					
Honeywell	250	250	250	+ 0,000	+ 0.0%
Total, Albuquerque Operations Office	250	250	250	+ 0,000	+ 0.0%
Richland Operations Office					
Pacific Northwest National Laboratory	250	250	250	+ 0,000	+ 0.0%
Total, Richland Operations Office.....	250	250	250	+ 0,000	+ 0.0%
Washington Headquarters	21,704	21,930	22,075	+ 145	+ 0.7%
Use of Prior Year Balances	- 158				
Administration and Travel Rescission	- 20				
Total, Independent Oversight and Performance Assurance	22,026	22,430	22,575	+ 145	+ 0.6%

^a On December 20, 2002, the National Nuclear Security Administration (NNSA) disestablished the Albuquerque, Oakland, and Nevada Operations Offices, renamed existing area offices as site offices, established a new Nevada Site Office, and established a single NNSA Service Center to be located in Albuquerque. Other aspects of the NNSA organizational changes will be phased in and consolidation of the Service Center in Albuquerque will be completed by September 30, 2004. For budget display purposes, DOE is displaying non-NNSA budgets by site in the traditional pre-NNSA organizational format.

Site Description

Albuquerque Operations Office

Albuquerque Operations Office is located on Kirtland Air Force Base in Albuquerque, New Mexico. The primary mission continues to be stewardship and maintenance of the Nation's nuclear weapons stockpile.

Honeywell, Federal Manufacturing and Technologies

Honeywell is located on Kirtland Air Force Base in Albuquerque, New Mexico. Honeywell provides maintenance, storage, and delivery of OA's Multiple Integrated Laser Engagement Systems (MILES) equipment. This equipment is used to simulate weapons fire in tactical field exercises that support the assessment of the overall effectiveness of field protection programs.

Richland Operations Office

Richland Operations Office, Richland, Washington, manages waste products; and develops and applies commercialized technologies.

Pacific Northwest National Laboratory

Pacific Northwest National Laboratory (PNNL), Richland, Washington, develops oversight processes and protocols that are used for program implementation, planning, and analysis of evaluation results and trends. PNNL also provides technical support for OA's special studies and reviews.

All Other Sites - Washington Headquarters (Includes Commercial Contracts, Other Federal Agencies, and Universities)

The evolving short-term needs for national-level expertise in a multitude of disciplines can best be met through the use of contractors who can rapidly respond to the continually changing skills mix required of independent oversight activities across the DOE complex. Contract support provides a practical and cost-effective method of providing a surge pool of technical expertise for conducting oversight activities at DOE facilities. These activities include safeguards and security evaluations; environment, safety, and health evaluations; cyber security reviews; emergency management reviews; special studies; and special reviews. Program direction for the Federal staff that includes salaries, benefits, travel, training, Working Capital Fund, and other personnel-related expenses are also provided.

Office of Independent Oversight and Performance Assurance

Mission Supporting Goals and Objectives

The mission of the Office of Independent Oversight and Performance Assurance (OA) program is to provide the Secretary of Energy, the Administrator of the National Nuclear Security Administration (NNSA), senior departmental managers, and Congress with an independent assessment of the effectiveness of Department of Energy (DOE) policy and site performance in the areas of safeguards and security; environment, safety, and health; cyber security; emergency management; and other critical functions. OA is the Department's exclusive focal point for independent oversight of departmental activities in all areas of safeguards and security; environment, safety, and health; cyber security; and emergency management. The primary goal of OA is to be a catalyst that promotes constructive change in the Department's safeguards and security; environment, safety, and health; cyber security; and emergency management programs. This goal is accomplished by providing an independent evaluation and analysis of the status of these important programs, accurately reporting the status, and conducting timely activities to validate that appropriate corrective actions are being taken.

In order for OA to achieve its mission, it requires the technical support of national-level experts. While OA has some unique, national-level experts on its Federal staff, these are insufficient to perform all necessary oversight activities. Further, because of the nature of OA's activities, judicious use of contract support continues to be a practical and cost-effective way to provide a surge pool of technical experts, and, for a number of reasons, remains preferable to expanding the Federal oversight staff.

- Peak loads associated with onsite inspections make it more effective and efficient to use contractor personnel who are tasked (and funded) only when needed.
- The need for evaluators with national-level expertise in different technical disciplines (ranging from cyber security to nuclear material control and accountability) is more efficiently met by contractors. The need for technical expertise is continually evolving and frequently changes as new needs are identified. Such evolving requirements can best be met through use of contractors, as the Federal staff and personnel systems are unable to rapidly respond to the continually changing skills mix needs.

Also, because of the nature of OA's activities and the intense scrutiny that the organization is under, its activities must be performed in a manner that is demonstrably unbiased. The use of contractor experts with no ties to DOE line management programs promotes OA's independence and objectivity.

The mission of OA's programs are accomplished through the following key activities:

Safeguards and Security Evaluations

- The Office of Safeguards and Security Evaluations performs regular and special reviews of safeguards and security programs at DOE and NNSA sites that have significant amounts of special nuclear material, classified information, or other security interests. The scope of the reviews includes any or all aspects of safeguards and security, including physical protection of special

nuclear material, accountability of special nuclear material, protection of classified and sensitive information, personnel security, protective forces, foreign visits and assignments, and protection program management.

Special Analysis

- The Office of Safeguards and Security Evaluations also performs reviews and studies of policies, programs, and their implementation in the field to effect program corrections. This activity, in addition, provides for weapons simulation systems used to perform realistic tactical engagements between an oversight adversary force and an inspected site's protective force to assess the overall effectiveness of protective force tactical performance. It also includes development of methods and tools to perform inspections more effectively and efficiently.

Environment, Safety, and Health Evaluations

- The Office of Environment, Safety, and Health Evaluations focus is on integrated safety management implementation and environment, safety, and health performance. Environmental inspections provide independent evaluations of a wide variety of environmental protection and restoration activities. This activity results in the identification and reporting of environment, safety, and health vulnerabilities. Effectiveness of environmental programs in accordance with Executive Orders is a focus area. Reviews of authorization basis documents are also conducted.

Cyber Security and Special Reviews

- The Office of Cyber Security and Special Reviews performs regular evaluations of the effectiveness of classified and unclassified cyber security policies and programs, including network protection, risk management, technical implementation, and configuration management at DOE and NNSA facilities. The office establishes and maintains a continuous program for assessing Internet security to include offsite scanning and controlled penetration attempts to detect vulnerabilities that could be exploited by hackers.

Emergency Management Oversight

- The Office of Emergency Management Oversight provides independent oversight of all aspects of emergency management programs, including hazards assessment, protective actions, emergency response, emergency public information, and offsite interfaces. The effectiveness of site programs is also evaluated through the onsite evaluation of performance during major site exercises.

Salaries and Benefits

- Salaries and benefits provide funding for a Federal staff that has the technical expertise required to carry out the essential OA mission. The mission requires experts to provide the Department with independent oversight capability across the DOE complex. (FY02: 66 FTE; FY03: 66 FTE; FY04: 66 FTE)

Travel

- Travel includes all costs of transportation, subsistence, and incidental travel expenses of Federal employees in accordance with Federal Travel Regulations.

Other Related Expenses

- Other related expenses include training for Federal staff, the Working Capital Fund, and an information management and analysis program. This provides for the Working Capital Fund based on guideline estimates issued by the Working Capital Fund Manager. This funding covers non-discretionary prorated costs such as space utilization, computer and telephone usage, mail service, supplies, and electronic services. Funding also supports OA office expenditures for printing and reproduction, telecommunications needs, automated data processing maintenance, and training for Federal staff, including tuition costs for OA Federal employees.

Funding Schedule

(dollars in thousands)

	FY 2002	FY 2003	FY 2004	\$ Change	% Change
Independent Oversight and Performance Assurance					
Support Services	12,224	12,654	12,300	-354	- 2.8%
Salaries and Benefits.....	7,562	7,562	8,174	+612	+ 8.1%
Travel.....	1,065	943	800	-143	-15.2%
Other Related Expenses	1,353	1,271	1,301	+ 30	+ 2.4%
Subtotal, Independent Oversight and Performance Assurance	22,204	22,430	22,575	+145	+ 0.6%
Use of Prior Year Balances	-158				
Administration and Travel Rescission	- 20				
Total, Independent Oversight and Performance Assurance	22,026	22,430	22,575	+145	+ 0.6%
Additional net budget authority to cover the cost of fully accruing retirement (non-add)	(182)	(185)	(188)	(+ 3)	(+1.6%)
Full-Time Equivalents	66	66	66		

Detailed Program Justification

(dollars in thousands)

FY 2002	FY 2003	FY 2004
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Safeguards and Security Evaluations..... **5,857** **6,287** **6,033**

The oversight functions that directly relate to DOE’s national security interests are well developed. The program is considered by the Department to be a catalyst for improvement, has directly contributed to significant reductions in the recurrence of safeguards and security issues, and effectively supports the maintenance of a safe, secure, and reliable weapons stockpile. As a direct result of the experiences and expertise developed within OA, OA is able to provide tools and share information (handbooks, videotapes, and lessons learned) with numerous organizations within the Department. This important “information sharing” effort has resulted in a substantial increase in the effectiveness of field self-assessment and survey programs. We plan to conduct safeguards and security evaluations at major sites to provide an independent assessment of the status of safeguards and security programs for the Secretary of Energy and/or NNSA Administrator. Findings and issues associated with these programs will be maintained in a database to track corrective actions and assist in measuring improvement throughout the Department in these critical areas. Through streamlining, we have become more cost efficient.

Special Analysis..... **600** **600** **500**

Special studies and special reviews are important OA activities. Issues and problems not normally covered by the more traditional oversight functions (i.e., safeguards and security inspections, special activities, and analysis efforts) have been of particular interest to senior DOE Managers and Congress, and their evaluation and analysis by OA has resulted in substantial improvements to programs throughout DOE. This has been a recurring and appropriate function for the independent oversight program, the program best suited to provide an unbiased evaluation of a particular Departmental issue. The funding level for special reviews is appropriate, as determined through experience over time in dealing with these more non-traditional types of oversight reviews and studies. Through streamlining of the oversight process, operations are more cost efficient.

Environment, Safety, and Health Evaluations..... **4,000** **4,000** **4,000**

Environment, safety, and health evaluations encompass the critical DOE Integrated Safety Management programs and relevant environment, safety, and health topics. They identify issues and problems that are often not identified by line management. These issues may also have complex-wide implications and result in Department-wide corrective actions. Focused evaluations involve a wide range of functional programs, processes, projects, and activities essential to the protection of workers, the public, and the environment. These evaluations promote adherence to applicable DOE and industry safety and health, radiation protection, waste management, and fire protection standards. This activity also includes periodic oversight of environment, safety, and health performance in all phases of major projects such as construction, recovery and stabilization of hazardous materials, and decommissioning

**Other Defense Activities/
Independent Oversight and Performance Assurance/
Mission Support Goals and Objectives**

FY 2004 Congressional Budget

(dollars in thousands)

FY 2002	FY 2003	FY 2004
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and environmental restoration. The latter has been a recurring function for OA’s program, the program best suited to provide an unbiased evaluation of a particular Departmental activity. The funding level is appropriate, especially with increased efficiencies of operations, and as determined through experience.

Cyber Security and Special Reviews **967** **967** **967**

Cyber security reviews are dedicated solely to multi-faceted reviews of cyber security program performance, including unannounced inspections, offsite monitoring of Internet security, controlled attempts to penetrate security firewalls, and other measures. The funding level has been determined by current and past experience with these activities. Most security breaches result, not from lack of hardware, but from inadequate implementation of security features, failure to correct known vulnerabilities, poor security awareness, poor user training, poor configuration control, and other such lapses. These vulnerabilities are best detected and corrected by a strong independent oversight program. Investments in cyber security oversight have resulted in significant improvements in cyber security throughout the Department, including the elimination of many highly exploitable vulnerabilities. Plans consist of performing continuous cyber security inspections, including unannounced inspections, offsite monitoring of Internet security, and penetration tests at major Departmental sites.

Emergency Management Oversight..... **800** **800** **800**

Emergency management reviews are conducted to ensure the Secretary of Energy and other senior managers have an accurate picture of the effectiveness of the DOE comprehensive emergency management system. Extensive evaluations conducted by this oversight function have significantly contributed to the enhanced emergency management readiness and response at individual sites, within program and field offices and across the DOE complex. The funding level is based on current and past performance, is appropriate, and will provide for the necessary oversight of emergency management issues at DOE Headquarters and major Departmental sites.

Salaries and Benefits..... **7,562** **7,562** **8,174**

Salaries and benefits include the economic assumptions provided by OMB. Funds for full-time permanent employees include salaries and other personnel benefits such as: cash incentive awards, lump sum payments, Senior Executive Service and other performance awards, and worker’s compensation.

Travel..... **1,065** **943** **800**

OA’s travel requirements are necessary for the performance of various field activities. The travel estimate includes costs for airfare, lodging, and other travel related expenses.

(dollars in thousands)

FY 2002	FY 2003	FY 2004
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Other Related Expenses 1,353 1,271 1,301

This provides for the Working Capital Fund based on guideline estimates issued by the Working Capital Fund Manager. This funding covers non-discretionary prorated costs such as space utilization (rent costs increased), computer and telephone usage, mail service, supplies, and electronic services. Funding also supports OA office expenditures for printing and reproduction, telecommunications needs, automated data processing, maintenance, and training for Federal staff (including tuition costs for OA's Federal employees).

Subtotal, Independent Oversight and Performance Assurance	22,204	22,430	22,575
Use of Prior Year Balances	-158		
Administration and Travel Rescission	- 20		
Total, Independent Oversight and Performance Assurance	22,026	22,430	22,575

Explanation of Funding Changes

FY 2004 vs. FY 2003 (\$000)

Support Services

- The oversight process has been streamlined through efficiencies of operations. - 354

Salaries and Benefits

- Funding requirements are commensurate with the allocation of Federal staff on OA programs. Increases for salaries and benefits based on the latest OMB economic assumptions for Federal personnel costs. The increase is for living adjustments, locality pay, within-grade increases, lump sum payments, and awards. + 612

Travel

- Travel expenses will be reduced through improved efficiencies in operations resulting from streamlined oversight processes. - 143

Other Related Expenses

- Other related expenses include the Working Capital Fund (WCF), tuition/training of Federal personnel, and other services procured, such as computer equipment. Within the WCF, the building occupancy estimates provided by the WCF Board increased \$86,000. A new initiative charged for FY 2002 was \$33,000 for Competitive Sourcing Studies. Training costs are kept level. The funding level for all other services are being streamlined for cost efficiencies to cover these increased expenditures. + 30

Total Funding Change, Independent Oversight and Performance Assurance..... **+145**

Support Services

(dollars in thousands)

	FY 2002	FY 2003	FY 2004	\$ Change	% Change
Technical Support					
Safeguards and Security	5,857	6,287	6,033	-254	-4.0%
Special Analysis	600	600	500	-100	-16.7%
Environment, Safety and Health	4,000	4,000	4,000	0	0.0%
Cyber Security.....	967	967	967	0	0.0%
Emergency Management.....	800	800	800	0	0.0%
Total, Technical Support.....	12,224	12,654	12,300	-354	-2.8%

Other Related Expenses

(dollars in thousands)

	FY 2002	FY 2003	FY 2004	\$ Change	% Change
Tuition/Training of Federal Staff	65	65	65	0	0.0%
Other Services Procured	815	725	669	- 56	- 7.4%
Working Capital Fund	473	481	567	+ 86	+ 17.9%
Total, Other Related Expenses	1,353	1,271	1,301	+ 30	+ 2.4%

