

# Independent Oversight and Performance Assurance

## Executive Budget Summary

### Mission

The Office of Independent Oversight and Performance Assurance is the Department of Energy's exclusive focal point for independent evaluation of safeguards, security, emergency management, and cyber security. It has the expertise and skilled personnel needed to efficiently provide the Department of Energy's line management programs with the tools and independent program assessments required to preserve and effectively protect critical national security interests at Department of Energy (DOE) sites.

The Office of Independent Oversight and Performance Assurance is funded in the Other Defense Activities appropriation. The Other Defense Activities program includes: Safeguards and Security Evaluations, Emergency Management Oversight, Cyber Security and Special Reviews, and a Program Direction decision unit.

The Office of Independent Oversight and Performance Assurance mission is one of the Department of Energy's highest priorities. The need for effective independent programs to identify safeguards and security, cyber security, and emergency management operations concerns at DOE sites is extremely critical. The downsizing and realignment of the weapons production efforts will necessitate changes in the conduct of operations. Therefore, safeguards and security, cyber security, and emergency management operations concerns are in the forefront of the Nation's protection of security interests.

### Mission Supporting Goals and Objectives

The Office of Independent Oversight and Performance Assurance's overall major goals and objectives are as follows:

Provide the Secretary of Energy and senior Departmental managers with an independent assessment of the effectiveness of Departmental policy and site performance in the areas of safeguards and security, emergency management, cyber security, and other critical functions.

Provide a standardized corporate independent oversight process to assess the effectiveness of safeguards and security programs throughout the Department of Energy. To accomplish the goal of corporate independent oversight, the following objectives have been established: (1) identify, prioritize, and target Departmental needs for independent oversight; and (2) sustain a coordinated and consistent independent oversight of Department of Energy critical programs and assets.

Conduct the independent oversight mission in an open, trustworthy, and responsive manner. To accomplish this goal, Independent Oversight and Performance Assurance's objectives are: (1) establish and implement programs that strengthen Congress' and the public's trust and confidence in the Department of Energy's safeguards and security programs; and (2) promote continuous improvement to ensure national security assets are adequately protected.

The legal requirements that affect the activities of the Independent Oversight and Performance Assurance organization include legislation such as the Atomic Energy Act of 1954, as amended, and the National Defense Authorization Act for Fiscal Year 1995.

## **Strategy**

The Office of Independent Oversight and Performance Assurance's strategic objective is to ensure that the Department of Energy is protecting the critical national security interests of the United States.

To accomplish this objective, the Office of Independent Oversight and Performance Assurance conducts independent oversight activities that provide a comprehensive status of the effectiveness of safeguards and security, cyber security, and emergency management programs at Department of Energy facilities, as well as other topics directed by the Secretary of Energy. Comprehensive safeguards and security evaluations provide the Secretary of Energy with validated appraisals of the effectiveness of DOE policy and its implementation.

To effectively carry out its mission, the Office requires a staff with the expertise and skill necessary to provide information needed to protect and preserve national security interests at Departmental sites. An Independent Oversight and Performance Assurance staffing plan has identified the most critical functions and closely matched personnel to fit those needs. The Federal staff will remain constant at 42 full-time-equivalents in FY 2002. The Office of Independent Oversight and Performance Assurance has also analyzed how it utilizes support contractors and has established specific criteria for their limited use. While Independent Oversight and Performance Assurance has some unique national-level experts, technical contractual services continues to be more practical and cost-effective, 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 Independent Oversight and Performance Assurance activities across the Department of Energy.

## **Major Changes**

In recognition of the critical importance of an effective safeguards and security program, the Secretary of Energy has created the "Office of Independent Oversight and Performance Assurance" as a direct report to the Secretary. This reporting relationship provides the Secretary of Energy and senior Departmental managers with an independent assessment of the effectiveness of Department of Energy policy and site performance in the areas of safeguards, security, emergency management, cyber security, and other critical functions as directed by the Secretary. The Office of Independent Oversight and Performance Assurance focuses on all aspects of safeguards and security, including physical protection of special nuclear material, accountability of special nuclear material, cyber security, protection of classified and sensitive information, personnel security, protective forces and foreign visits and assignments. The Office also provides independent oversight of all aspects of emergency management programs, including emergency planning, preparation, operations, and response. To avoid duplication of effort, the Office of Independent Oversight and Performance Assurance is the exclusive focal point for the Secretary of Energy's oversight of safeguards and security, cyber security, and emergency management inspections.

To meet Departmental and Congressional expectations, the Office of Independent Oversight and Performance Assurance must sustain and slightly increase some aspects of its frequency of inspections of protection programs at major DOE sites within the resources requested.

To improve information management, Office of Independent Oversight and Performance Assurance has established an information management and analysis program to enhance Office of Independent Oversight and Performance Assurance's ability to provide quality safeguards and security and emergency management information to Departmental Elements, the Secretary, the Congress, and the public.

## **Performance Measures**

Conduct safeguards and security evaluations at 20 major sites per year to provide an independent assessment of the status of safeguards and security programs for the Secretary and continue to report the baseline of findings in a database designed to track and measure improvement in these areas at sites throughout the Department.

Perform continuous cyber security inspections and no-notice reviews at 14 major Departmental sites per year to improve oversight of cyber security. These inspections results are measures against the baseline of issues to determine the improvement of cyber security, offsite monitoring of Internet security, and controlled attempts to penetrate security firewalls. This function represents an increase over previous efforts to evaluate cyber security within the Department.

Provide for the dedicated oversight of emergency management issues at Department Headquarters and 10 major Departmental sites. This function focuses solely on the effectiveness of the Department's emergency management programs. This oversight is measured against the baseline of these programs throughout the Department and provides information for Department-wide improvement.

Conduct three special complex-wide reviews of topics such as Wildland Fire Safety and National Emergency Response Assets to determine their effectiveness across the complex. Findings and issues associated with these programs are maintained in a database to track corrective actions. These reviews provide information Department-wide for critical area improvements.

## Funding Profile

	FY 2000 Comparable Appropriation	FY 2001 Original Appropriation	FY 2001 Adjustments	FY 2001 Comparable Appropriation	FY 2002 Request
Other Defense Activities					
Operating Expenses					
Oversight .....	6,601	0	0	0	0
Program Direction .....	5,482	14,937	-33 <sup>b</sup>	14,904	14,904
Subtotal, Independent Oversight and Performance Assurance .....	12,083	14,937	-33 <sup>b</sup>	14,904	14,904
General Reduction .....	0	0	0	0	0
Total, Independent Oversight and Performance Assurance .....	12,083 <sup>a</sup>	14,937	-33 <sup>b</sup>	14,904	14,904

**Public Law Authorization:**

Public Law 83-703, "Atomic Energy Act of 1954"

---

<sup>a</sup>In FY 2000, \$3,700,000 in Operating funds and \$3,482,000 for 25 FTEs in program direction funds were included in the EH Budget Authority; the balance was obtained from the FY 2000 Supplemental Appropriation.

<sup>b</sup>Allocated share of Congressionally prescribed reduction of .22%.

## Staffing Profile

(Whole FTEs)

	FY 2000 Comparable Appropriation	FY 2001 Comparable Appropriation	FY 2002 Request
Full Time Equivalents			
Other Defense Activities .....	40	42	42
Total, Full Time Equivalents <sup>a</sup> .....	<u>40</u>	<u>42</u>	<u>42</u>

## Funding by Site

(dollars in thousands)

	FY 2000	FY 2001	FY 2002	\$ Change	% Change
Albuquerque Operations Office					
Honeywell .....	225	250	250	0	0%
Richland Operations Office					
Pacific Northwest National Laboratory .....	260	250	250	0	0%
All Other Sites					
Washington Headquarters .....	11,598	14,404	14,404	0	0%
Total, Independent Oversight and Performance Assurance <sup>b</sup> .....	<u>12,083</u>	<u>14,904</u>	<u>14,904</u>	<u>0</u>	<u>0%</u>

\_\_\_\_\_  
 Glenn S. Podonsky  
 Director  
 Independent Oversight and Performance

\_\_\_\_\_  
 Date

<sup>a</sup>Twenty-five full-time-equivalents are transferred from the Office of Environment, Safety and Health reflecting a total full-time-equivalent of 40 for FY 2000.

<sup>b</sup>In FY 2000, \$3,700,000 in operating funds and \$3,482,000 in program direction for 25 FTEs and the \$4,901,000 supplemental appropriation total \$12,083,000.

# **Independent Oversight and Performance Assurance**

## **Other Defense Activities**

### **Program Mission**

The Office of Independent Oversight and Performance Assurance is a corporate resource that performs independent oversight to verify that Department of Energy (DOE) security interests are protected and that DOE can respond to emergencies. The Office is committed to excellence and continuously strives for improvement by conducting independent oversight of safeguards and security performance. The hallmark and highest priority of all Independent Oversight and Performance Assurance activities is daily excellence in the protection of Departmental critical assets. The Office of Independent Oversight and Performance Assurance activities are concentrated within one decision unit: Independent Oversight and Performance Assurance, Program Direction.

Oversight activities provide information and analysis needed to ensure that the Secretary of Energy, the Department of Energy and contractor management, and Congress have an accurate, comprehensive understanding of the effectiveness, vulnerabilities, and trends of the Department's safeguards and security policies and programs. These activities include Safeguards and Security Evaluations, Cyber Security, and Special Reviews and Emergency Management Reviews.

### **Program Goal**

The goal of the Independent Oversight and Performance Assurance activities is to continually provide excellent Department-wide independent safeguards and security oversight to:

- Provide consistent, multi-disciplinary, credible processes for independently evaluating the effectiveness of safeguards and security programs.

- Promote actions that prevent recurrence of national security problems.

- Ensure initiatives relative to safeguards and security, cyber security, and emergency management operations throughout the complex are analyzed and disseminated as appropriate.

- Ensure that follow-up and corrective actions for safeguards and security, cyber security, and emergency management oversight activities are effective.

### **Program Objectives**

- Identify, prioritize, and conduct evaluations to determine the effectiveness of the Department's safeguards and security and emergency management policies and programs by providing coordinated and consistent independent oversight.

- Report evaluation results to the Secretary, Department of Energy senior management, and the Congress.

- Provide information to senior management that helps improve the performance and effectiveness of the Department's safeguards and security and emergency management programs.

Collect, analyze and disseminate lessons learned and exemplary practices to enhance performance and improve information management.

## **Significant Accomplishments and Program Shifts**

The “Office of Independent Oversight and Performance Assurance” is a direct report to the Secretary and, as such, provides the Secretary of Energy and senior Departmental managers with an independent assessment of the effectiveness of Department of Energy policy and site performance in the areas of safeguards, security, emergency management, cyber security, and other critical functions as directed by the Secretary. The Office of Independent Oversight and Performance Assurance focuses on all aspects of safeguards and security, including physical protection of special nuclear material, accountability of special nuclear material, cyber security, protection of classified and sensitive information, personnel security, protective forces, and foreign visits and assignments. The Office also provides independent oversight of all aspects of emergency management programs, including emergency planning, preparation, operations, and response. To avoid duplication of effort, the Office of Independent Oversight and Performance Assurance is the exclusive focal point for the Secretary of Energy’s oversight of safeguards and security, cyber security, and emergency management.

Significant accomplishments and program shifts are defined within the respective descriptions below.

### **Performance Measures**

Conduct safeguards and security evaluations at 20 major sites per year to provide an independent assessment of the status of safeguards and security programs for the Secretary and continue to report the baseline of findings in a database designed to track and measure improvement in these areas at sites throughout the Department.

Perform continuous cyber security inspections and no-notice reviews at 14 major Departmental sites per year to improve oversight of cyber security. These inspections results are measures against the baseline of issues to determine the improvement of cyber security, offsite monitoring of Internet security, and controlled attempts to penetrate security firewalls. This function represents an increase over previous efforts to evaluate cyber security within the Department.

Provide for the dedicated oversight of emergency management issues at Department Headquarters and 10 major Departmental sites. This function focuses solely on the effectiveness of the Department’s emergency management programs. This oversight is measured against the baseline of these programs throughout the Department and provides information for Department-wide improvement.

Conduct three special complex-wide reviews of topics such as Wildland Fire Safety and National Emergency Response Assets to determine their effectiveness across the complex. Findings and issues associated with these programs are maintained in a database to track corrective actions. These reviews provide information Department-wide for critical area improvements.

## Funding Profile

	FY 2000 Comparable Appropriation	FY 2001 Original Appropriation	FY 2001 Adjustments	FY 2001 Comparable Appropriation	FY 2002 Request
Other Defense Activities					
Operating Expenses					
Independent Oversight and Performance Assurance .....	6,601	0	0	0	0
Program Direction .....	5,482	14,937	-33 <sup>b</sup>	14,904	14,904
Subtotal, Other Defense Activities .....	12,083	14,937	-33 <sup>b</sup>	14,904	14,904
General Reduction .....	0	0	0	0	0
Total, Independent Oversight and Performance Assurance .....	12,083 <sup>a</sup>	14,937	-33 <sup>b</sup>	14,904	14,904

**Public Law Authorization:**

Public Law 83-703, "Atomic Energy Act of 1954"

---

<sup>a</sup>In FY 2000, \$3,700,000 in Operating funds and \$3,482,000 for 25 FTEs in program direction funds were included in the EH Budget Authority; the balance was obtained from the FY 2000 Supplemental Appropriation.

<sup>b</sup>Allocated share of Congressionally prescribed reduction of .22%.



## Funding by Site

(dollars in thousands)

	FY 2000	FY 2001	FY 2002	\$ Change	% Change
Albuquerque Operations Office					
Honeywell .....	225	250	250	0	0%
Richland Operations Office					
Pacific Northwest National Laboratory .....	260	250	250	0	0%
All Other Sites					
Washington Headquarters .....	11,598	14,404	14,404	0	0%
Total, Other Defense Activities .....	12,083	14,904	14,904	0	0%

## **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**

Honeywell is located on Kirtland Air Force Base in Albuquerque, New Mexico. Honeywell provides maintenance, storage and delivery of the Office of Independent Oversight and Performance Assurance MILES equipment in support of major performance testing activities designed to assess the overall effectiveness of field protection programs.

### **Richland Operations Office**

Richland Operations Office, Richland, Washington, manages waste products; and develops and applies commercializes 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 Office of Independent Oversight and Performance Assurance 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 Department of Energy complex. Contract support provides a practical and cost-effective method of providing a surge pool of technical expertise for conducting oversight activities at Department of Energy facilities. These activities include safeguards and security evaluations, emergency management evaluations, cyber security evaluations, and special studies and reviews.

# Independent Oversight and Performance Assurance

## Mission Supporting Goals and Objectives

The mission of the Independent Oversight and Performance Assurance program is to provide the Secretary of Energy, senior Departmental managers, and Congress with an independent assessment of the effectiveness of Department of Energy policy and site performance in the areas of safeguards, security, emergency management, and other critical functions as directed by the Secretary. The Office of Independent Oversight and Performance Assurance is the exclusive focal point for oversight of Departmental sites in all areas of safeguards and security, emergency management, and cyber security. The primary goal of the Office of Independent Oversight and Performance Assurance is to be a catalyst that promotes constructive change in the Department's safeguards and security programs. This goal is accomplished by: providing an independent evaluation and analysis of the status of safeguards and security programs; accurately reporting the status; and conducting timely follow-up activities to validate that appropriate corrective actions are being taken.

In order for the Office of Independent Oversight and Performance Assurance to achieve its mission, it requires the technical support of national-level experts. While Independent Oversight and Performance Assurance has some unique, national-level experts, these are insufficient to perform all necessary oversight activities. Further, because of the nature of the activities, contract support continues to be more practical and cost-effective to provide a surge pool of technical experts than expanding the Federal oversight staff for a number of reasons:

Peak loads associated with onsite inspections make it more effective and efficient to use contractor personnel who are tasked 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 provided by contractors. The needs for various technical expertise are continually evolving and frequently change as new needs are identified. Such evolving needs 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.

Similarly, because of the nature of Independent Oversight and Performance Assurance activities and the intense scrutiny that Independent Oversight and Performance Assurance is under, Independent Oversight and Performance Assurance reviews must be performed in a manner that is demonstrably unbiased.

The mission of the Independent Oversight and Performance Assurance program is accomplished through the following key activities:

### **Safeguards and Security Evaluations**

Safeguards and Security Evaluations perform regular evaluations of safeguards and security programs at Department of Energy sites that have significant amounts of special nuclear material, classified information, or other security interests. The scope of the evaluations includes any or all aspects of safeguards and security, including physical protection of special nuclear material, accountability of special nuclear material, cyber security, protection of classified and sensitive information, personnel security, protective forces, and foreign visits and assignments.

## **Cyber Security and Special Reviews**

Cyber Security and Special Reviews perform regular assessments of classified and unclassified computer security programs at Department of Energy sites and establish and maintain a continuous program for assessing Internet security to include offsite scanning and controlled penetration attempts to detect vulnerabilities that could be exploited by hackers. Extensive follow-up is maintained to ensure that these vulnerabilities are corrected by line management.

## **Emergency Management Oversight**

Emergency Management Oversight perform regular assessments of emergency management programs at DOE sites that have significant amounts of special nuclear material or other hazards.

Through the above activities independent oversight provides information and analysis of the effectiveness, vulnerabilities, and trends of the Department's safeguards and security policies and programs to the Secretary of Energy and Congress.

## **Salaries and Benefits**

Salaries and Benefits provide funding for a Federal staff who have the technical expertise required to carry out the essential Independent Oversight and Performance Assurance mission. The mission requires experts to provide the Department with Independent Oversight and Performance Assurance capability across the DOE complex. (FY00: 40 FTE; FY01: 42 FTE; FY02: 42 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 includes training for Federal staff, the Working Capital Fund, and an information management and analysis program.

## **Significant Accomplishments**

### **Safeguards and Security Evaluations**

Conduct an ongoing program of safeguards and security evaluations (20 per annum) of major sites each year which determines 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. Safeguards and security evaluations are being conducted at National Emergency Response Asset Program locations, Savannah River Site, Transportation Safeguards Division, Strategic Petroleum Reserve Office, Y-12 Plant, Richland Operations Office, Hanford Site, and Pacific Northwest National Laboratory. Limited scope reviews are being conducted at the Pantex Plant, Argonne National Laboratory-East, Rocky Flats Environmental Technology Site, and the Kansas City Plant. This activity provides for weapons simulation systems to perform realistic tactical 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 at 20 major sites per year to provide an independent assessment of the status of safeguards and security programs for the Secretary of Energy. Through efficiencies of operations, streamlining the process has taken place. (FY00: \$5,401; FY01: \$6,057; FY02: \$5,857)

Safeguards and Security Evaluations will also perform special reviews and studies (three per annum) of policies, programs, and their implementation in the field to identify needed program corrections. A safeguards and security special review is being conducted at Los Alamos National Laboratory. A follow-up review is being conducted at Argonne National Laboratory-West. Limited scope reviews are being conducted at the Pantex Plant, Argonne National Laboratory-East, Rocky Flats Environmental Technology Site, and the Kansas City Plant. This activity provides for weapons simulation systems to perform realistic tactical engagements between an oversight adversary force and the inspected site protection force to assess overall security performance effectiveness. The performance measure associated with this activity is to conduct special complex-wide reviews of selected safeguards and security topics to determine their effectiveness across the complex. (FY00: \$400; FY01: \$600; FY02: \$600)

### **Cyber Security and Special Reviews**

The program of continuous inspections and no-notice reviews of 14 major sites' computer systems, to include offsite scanning and controlled penetration attempts, will be sustained during FY 2002 to detect vulnerabilities that could be exploited by hackers and to ensure that these vulnerabilities are corrected by line management. Follow-up reviews will be conducted to ensure corrective actions remain effective. Cyber security inspections are being conducted at Nuclear Emergency Search Team locations, the Nevada Operations Office, Savannah River Site, Lawrence Livermore National Laboratory, Transportation Safeguards Division, Brookhaven National Laboratory, Y-12 Plant, Argonne National Laboratory-West, Hanford Site, Pacific Northwest National Laboratory, Pantex Plant, Argonne National Laboratory-East, Rocky Flats Environmental Technology Site, and Bonneville Power Administration. Cyber security external and internal network assessments are being conducted at Nevada Operations Office, Fernald Environmental Management Project, Office of Scientific and Technical Information, and Southwestern Power Administration. The performance measure associated with this activity is to perform continuous cyber security inspections to include unannounced inspections, offsite monitoring of Internet security, and penetration tests at 14 major Departmental sites. Performance testing is conducted at the DOE site being assessed or from the Office of Independent Oversight and Performance Assurance'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 deployable cyber security testing equipment that can be used to support onsite performance testing associated with Independent Oversight'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 cyber security laboratory 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 Office of Independent Oversight and Performance Assurance products, as well as linkage to Department of Energy information databases and other information sources. This program also develops technology tools to provide information and analysis of the lessons learned, trends, and the status of safeguards and security, cyber security, and emergency management performance across the complex. The performance measure associated with this program delineates findings and issues associated with these programs will be maintained in a database to track corrective actions and assist in measuring improvement in these critical areas throughout the Department of Energy. (FY00: \$400; FY01: \$967; FY02: \$967)

### **Emergency Management Oversight**

The Office of Independent Oversight and Performance Assurance will perform annual inspections of critical emergency management operations at 14 major DOE sites and Headquarters. The field sites have significant amounts of special nuclear material or other hazards. Follow-up reviews will be conducted to ensure corrective actions are effective. Emergency management oversight program reviews are being conducted at Idaho National Engineering and Environmental Laboratory and the Strategic Petroleum Reserve. Emergency Management Corrective Action Plan reviews are being conducted at the Albuquerque Operations Office and the Sandia National Laboratory-New Mexico. The program is also participating in the Transportation Safeguards Division emergency management exercise. The performance measure associated with this activity is to provide for the dedicated oversight of emergency management issues at Department of Energy Headquarters and 14 major Departmental sites. (FY 00: \$400; FY 01: \$800; FY02: \$800)

### **Salaries and Benefits**

Salaries and Benefits for FY 2001 provide for 42 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 economic assumption (3.8%) provided by the Office of Management and Budget (OMB). In addition, funding is provided for worker's compensation payment to the Department of Labor, transit subsidies, and incentive awards. The requested funding for FY 2002 represents the resources needed to support FTEs in FY 2002. (FY00: \$4,250; FY01: \$4,780; FY02: \$4,980)

## Travel

Travel requirements are consistent with support for the Independent Oversight and Performance Assurance Federal staff and include the Economic Assumption as provided by OMB. Travel includes all costs of transportation, subsistence, and incidental travel expenses of Independent Oversight and Performance Assurance Federal employees in accordance with Federal Travel Regulations. (FY00: \$800; FY01: \$800; FY02: \$800)

## Other Related Expenses

Tuition/training costs for Independent Oversight and Performance Assurance Federal employees. (FY00: \$30; FY01: \$50; FY02: \$50)

Other related expenses includes Independent Oversight and Performance Assurance 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, postage, office supplies and equipment, electronic services, payroll processing, contract closeouts, and the Corporate Executive Information System. A Working Capital Fund was established in FY 1997 to allocate the cost of common administrative services to the recipient organizations. (FY00: \$402; FY01: \$850; FY02: \$850)

## Funding Schedule

(dollars in thousands, whole FTEs)

	FY 2000	FY 2001	FY 2002	\$ Change	% Change
Independent Oversight and Performance Assurance . . . . .	6,601	8,424	8,224	-200	-2.4%
Salaries and Benefits . . . . .	4,250	4,780	4,980	+200	+4.2%
Travel . . . . .	800	800	800	0	0%
Other Related Expenses . . . . .	432	900	900	0	0%
Total, Independent Oversight and Performance Assurance . . . . .	12,083	14,904	14,904	0	0%
Full-Time-Equivalents . . . . .	40	42	42		

## Detailed Program Justification

(dollars in thousands)

FY 2000	FY 2001	FY 2002
---------	---------	---------

**Safeguards and Security Evaluations . . . . . 5,401 6,057 5,857**

The oversight functions that directly relate to DOE’s national security interests are well developed. The program is considered by the Department as a catalyst for improvement and has directly contributed to significant reductions in recurrence of safeguards and security issues and effectively supports the maintenance of a safe, secure, and reliable enduring weapons stockpile. As a direct result of the experiences and expertise developed within the Office of Independent Oversight and Performance Assurance, it is able to provide tools and shares information (handbooks, videotapes, and lessons learned) with numerous organizations within the Department. This is an important “information sharing” effort has resulted in a substantial increase in the effectiveness of field self-assessment and survey programs. The funding level has been developed over a long period of time by experience, by the expressed needs of the safeguards and security communities, through numerous budget preparations, and is well established. The funding level is appropriate, and therefore, represents a continuation of this important program, the only one of its kind in the Department. We plan to conduct safeguards and security evaluations at 20 major sites per year to provide an independent assessment of the status of safeguards and security programs for the Secretary of Energy. Findings and issues associated with these programs will be maintained in a database to track corrective actions and assist in measuring improvement in these critical areas throughout the Department. Through streamlining, we have been more cost efficient.

**Special Analysis . . . . . 400 600 600**

Special studies and reviews are an important part of the Office of Independent Oversight and Performance Assurance. Issues and problems not normally covered by the more traditional oversight functions (i.e., safeguards and security inspections, follow-up activities, and analysis efforts) have been of particular interest to senior DOE Managers and Congress and have resulted in substantial improvements to programs throughout DOE. This has been a recurring and appropriate function for the independent oversight program, a program best suited to provide an unbiased evaluation of a particular Departmental issue. The funding level which provides for three special reviews, is appropriate as determined over time through experience in dealing with the more non-traditional type of oversight reviews and studies.



(dollars in thousands)

FY 2000	FY 2001	FY 2002
---------	---------	---------

**Cyber Security and Special Reviews** ..... **400**      **967**      **967**

Cyber security reviews are dedicated solely to multi-faceted reviews of cyber security, 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. Investments in cyber security oversight has resulted in significant improvements in cyber security throughout the Department. 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. Plans include performing continuous cyber security inspections to include unannounced inspections, offsite monitoring of Internet security, and penetration tests at 14 major Departmental sites.

**Emergency Management Oversight** ..... **400**      **800**      **800**

The lack of emergency management oversight is one of the factors that has contributed to poor past performance in this area. This function has significantly contributed to enhanced emergency management capabilities throughout DOE. The funding level is based on current and past performance, is appropriate and will provide for the dedicated oversight of emergency management issues at Department of Energy Headquarters and 14 major Departmental sites.

(dollars in thousands)

FY 2000	FY 2001	FY 2002
---------	---------	---------

**Salaries and Benefits** ..... **4,250**    **4,780**    **4,980**

Salaries and Benefits include the Economic Assumption provided by OMB. Funds for full-time permanent employees include: salaries, overtime pay, cash incentive awards, lump sum payments, Senior Executive Service and other performance awards, and workman's compensation.

**Travel** ..... **800**    **800**    **800**

Independent Oversight and Performance Assurance travel requirements are required for the performance of various field activities. The travel estimate reflects escalation of costs for airfare, lodging, and other travel related expenses.

**Other Related Expenses** ..... **432**    **900**    **900**

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, telecommunication needs, ADP maintenance and training for Federal staff which includes tuition costs for Independent Oversight and Performance Assurance Federal employees.

**Total, Independent Oversight & Performance Assurance** ..... **12,083**    **14,904**    **14,904**

### Explanation of Funding Changes from FY 2001 to FY 2002

FY 2002 vs. FY 2001 (\$000)
-----------------------------------

Streamlining safeguards and security inspections. .... -200

Increase based on Economic Assumption for salaries and benefits. .... +200

Total Funding Change, Independent Oversight and Performance Assurance ..... 0

## Other Related Expenses

(dollars in thousands)

	FY 2000	FY 2001	FY 2002	\$ Change	% Change
Training .....	30	50	50	-	-
Working Capital Fund .....	292	420	458	+38	+9.0%
Other Services Procured .....	110	430	392	-38	-8.8%
Total, Other Related Expenses .....	432	900	900	-	-