



# *NNSA's Approach to Transformational Governance and Oversight*

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## *Challenges in Planning and Executing "Risk Informed" Oversight*

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## *Background*

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- ▶ Secretary Chu's Candid Feedback To His Under Secretaries
  - The Way All Of DOE Manages Its Contractors Is Not Optimal
    - Federal And Contractor Roles Unclear
    - We Manage By Directives
    - Our Cost Of Doing Business Is Too High
- ▶ For The First Time In A Decade NNSA Has A Broad National Consensus On The Role We Play In Our Security And The Resources We Need To Get The Job Done. Maintaining That Is Crucial To The Health Of Our Enterprise

## *Why Governance Transformation?*

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- ▶ “We need to insure ourselves,” and We Need To Demonstrate To Congress, Our Critics And Key Stakeholders That We Are Effective Stewards Of Limited Tax Dollars
- ▶ We Need To Change The Way We Do Business. That Means Looking At Everything With An Eye Toward Streamlining Our Operations So We Can Direct More Resources To Critical Mission Work including Safe and Secure Operation of High Risk Activities.
- ▶ We Need To Operate As “One NNSA,” – This “One NNSA” Needs To Be A True Partnership Between Headquarters, The Site Offices, The Service Center, And Our M&O Partners
- ▶ Working Together, We Can Make NNSA A Model For Efficiency And Integration

**“Highly Effective Organizations Transform  
to Deliver Future Missions”**

# *How Governance Pieces Fit Together*

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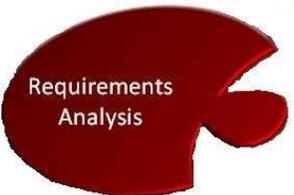
# *Roles And Responsibilities*

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- ▶ Defining And Clarifying High-level Overall Roles And Responsibilities for the National Security Enterprise (NSE)
  - NNSA-HQ
  - Site Offices
  - Service Center
  - Contractors
- ▶ Used To Help Change Behaviors To Enable More Effective Mission Execution
- ▶ Set Policy Framework For Definition Of Roles/Responsibilities In Other Orders, Directives, Manuals, etc.

# Requirements Analysis



Requirements  
Analysis

- ▶ Employs Management Review Through Operating Requirements Review Boards
- ▶ Focuses On Ensuring Requirements Are Aligned With DOE Management Principles And NNSA Operating Principles
  - We Use National And International Standards Where Those Exist Rather Than Create Unique (And Unnecessary) Departmental Requirements Documents
  - Contractor Partners Are Provided Flexibility To Tailor Programs In Light Of Their Situation Without Overly Prescriptive Departmental Requirements
  - Decision-making Authorities Are Delegated To The Lowest Appropriate Level Of the NSE
- ▶ Streamlining Requirements To Improve Clarity, Focus and Efficiency Of Execution ***DOES NOT*** Equate To Reduced Performance Expectations

# *Contractor Assurance Systems*

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- ▶ “One NNSA” (Federal/Contractor) Partners Define Governance And Identified Attributes Of Contractor Assurance Systems
- ▶ Will Involve Partner’s Corporate Parent(s) And Two Levels Of Validation (Contractor And Federal)
- ▶ The Level Of NSE-wide Oversight And Assessment Performed Will Adjust To The Level Of Confidence In Contractor Assurance Systems And The Performance Information From Those Systems
- ▶ Certain Types Of Activities (Those Affecting The Safety And Security Of Nuclear Materials, For Example) Will Always Require A Significant Level Of NNSA Oversight

# *Integrated Assessments And Line Oversight*

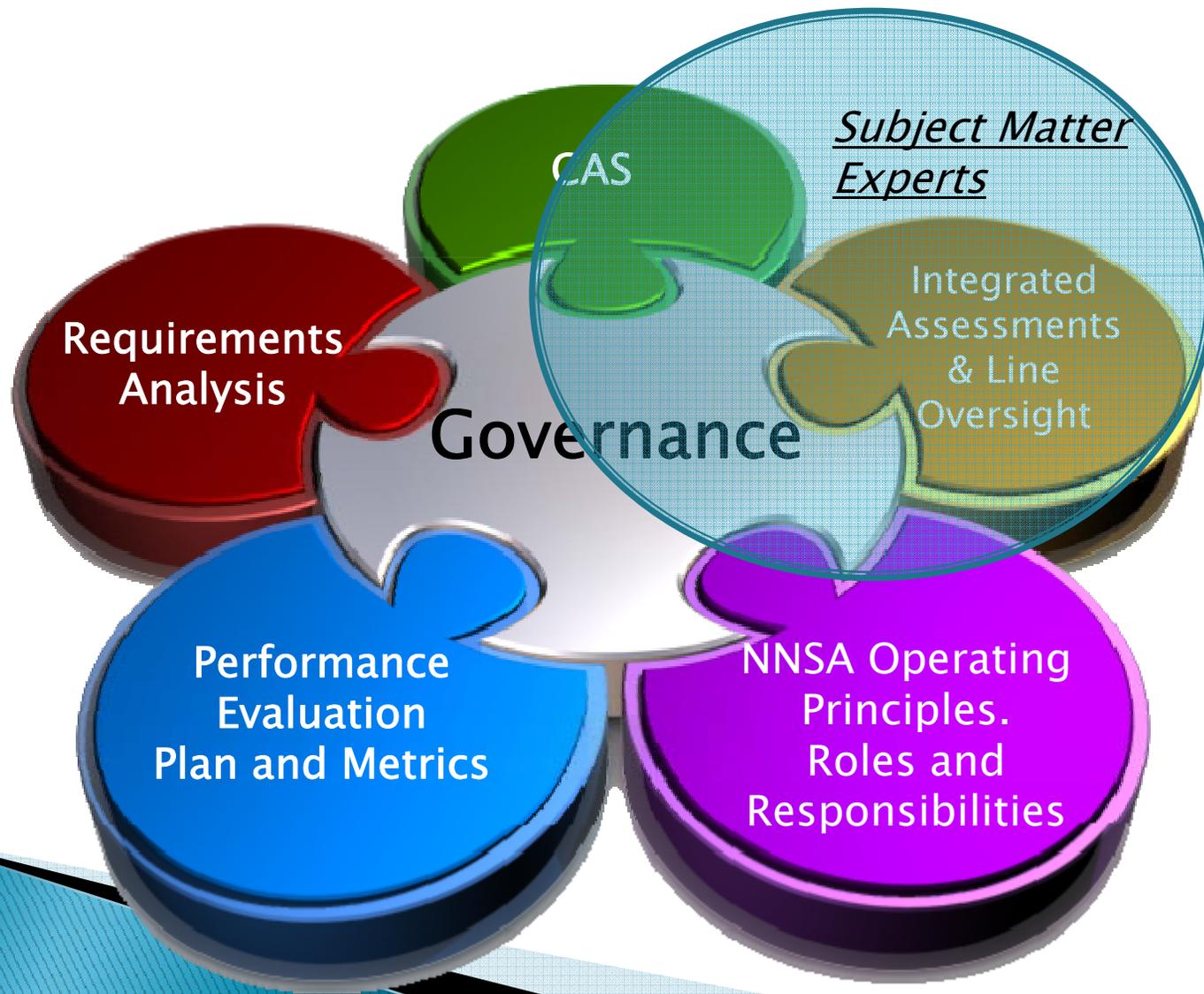
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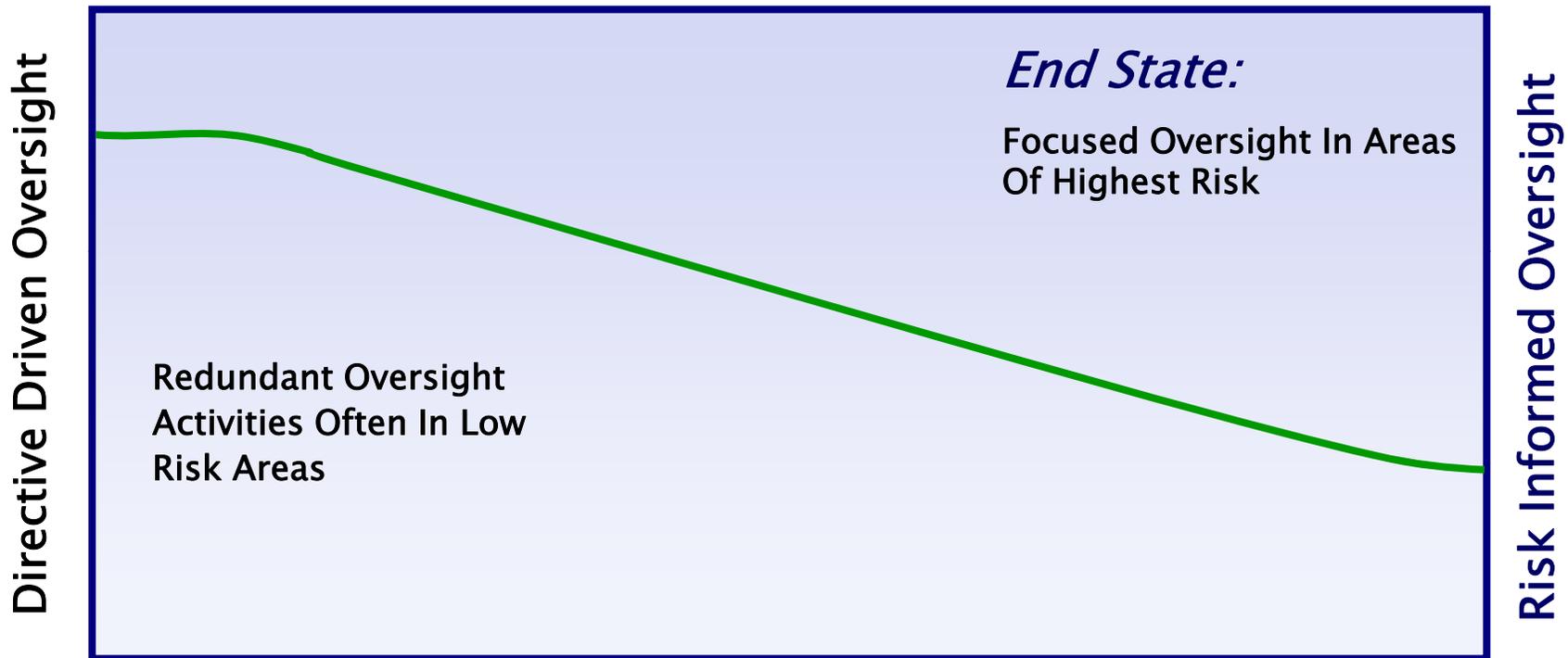
- ▶ Assessment Moratorium Memo Issued On December 18, 2009 Placed A Moratorium On HQ Assessments of the Field Through June 2010
- ▶ Among Other Initiatives, This Time Was Used To Develop A Process For Integrated Assessment Planning
- ▶ CY11 Represents First Integrated Assessment Planning Process Cycle
- ▶ During CY11 Lessons Learned Are Being Used To Improve The Approach And Capture It In An NNSA Process Description

# Field SME's Are Key To Our Success

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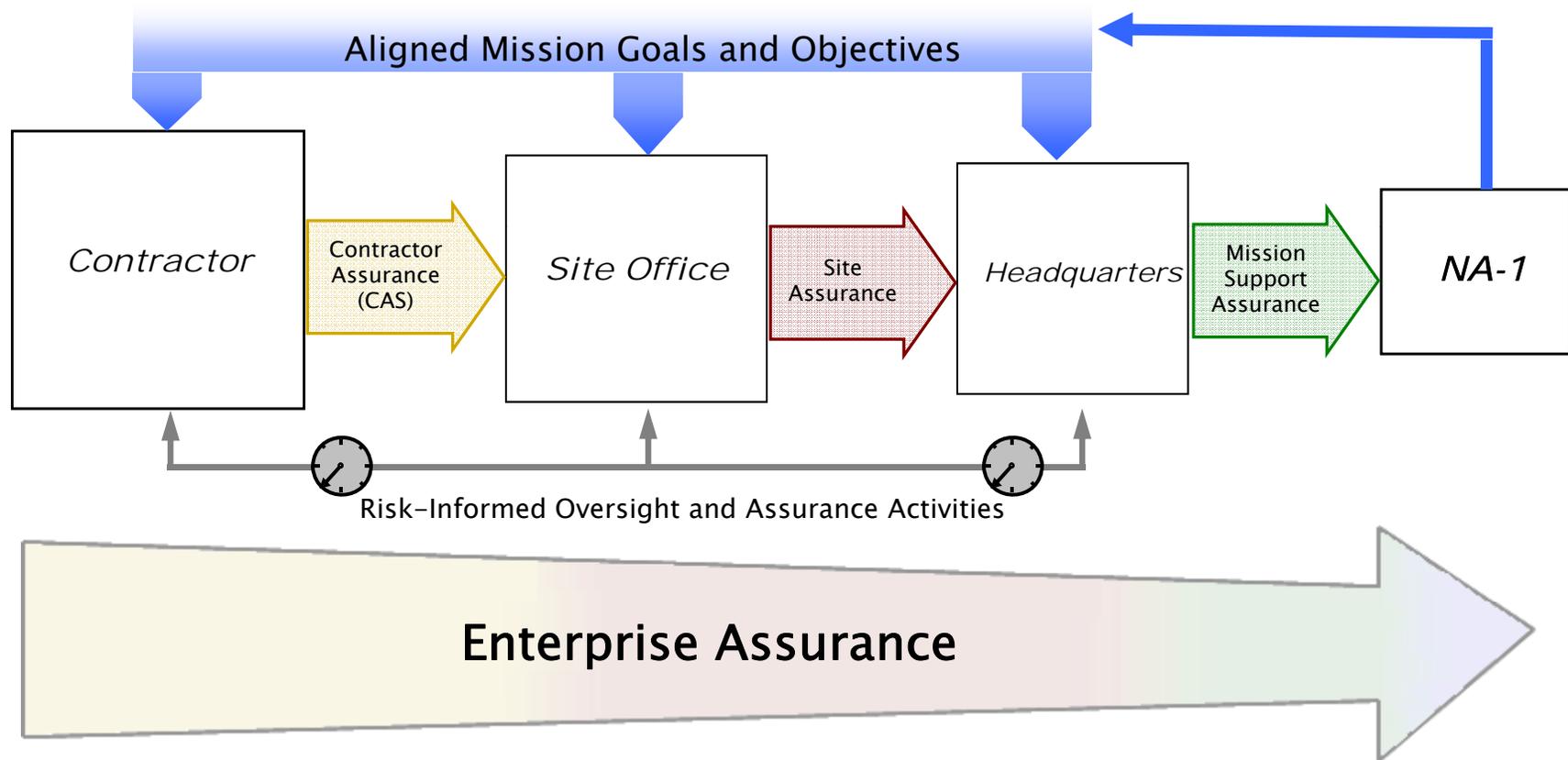


# Enterprise Assurance System Objective



Alignment of Mission Objectives → Integrated Risk and Performance Information → Validated Assurance and Oversight Systems

# Enterprise Assurance Oversight And Assessment Model



# *NNSA Vision For The Model*

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**Risk  
Informed**

The Model Will Move “One NNSA” From Doing Field Assessments Based Purely On A Schedule To A Process That Is Based On Performance And Risk For Each Activity

**Closest To  
The Work**

The Model Creates One “Integrated Assessment Plan” At The Site Office Level That Includes HQ Requirements

**Effective  
Resource Use**

The Model Recognizes That Other Assurance Tools May Be More Effective Than The Traditional “Large Team” Approach To Oversight

**Risk Determined By  
Line Management**

The Model Can Be Adjusted Based On Risk And Performance For Each Activity At Each Site

**Ensures  
Compliance**

It Ensures Compliance With Federal Statutes, Regulations And Recognizes That Some Higher Risk Activities Such As Nuclear Safety Will Require Continued Independent Oversight

# Site Integrated Assessment Plan

## PREVIOUS APPROACH

- Multiple – Independent
- HQ Line / Functional Area
- Functional Management Plans



## NEW APPROACH

- Single Site Integrated Assessment Plan (SIAP)

*More Integration Opportunities*

*More Efficient Utilization Of Federal Resources*

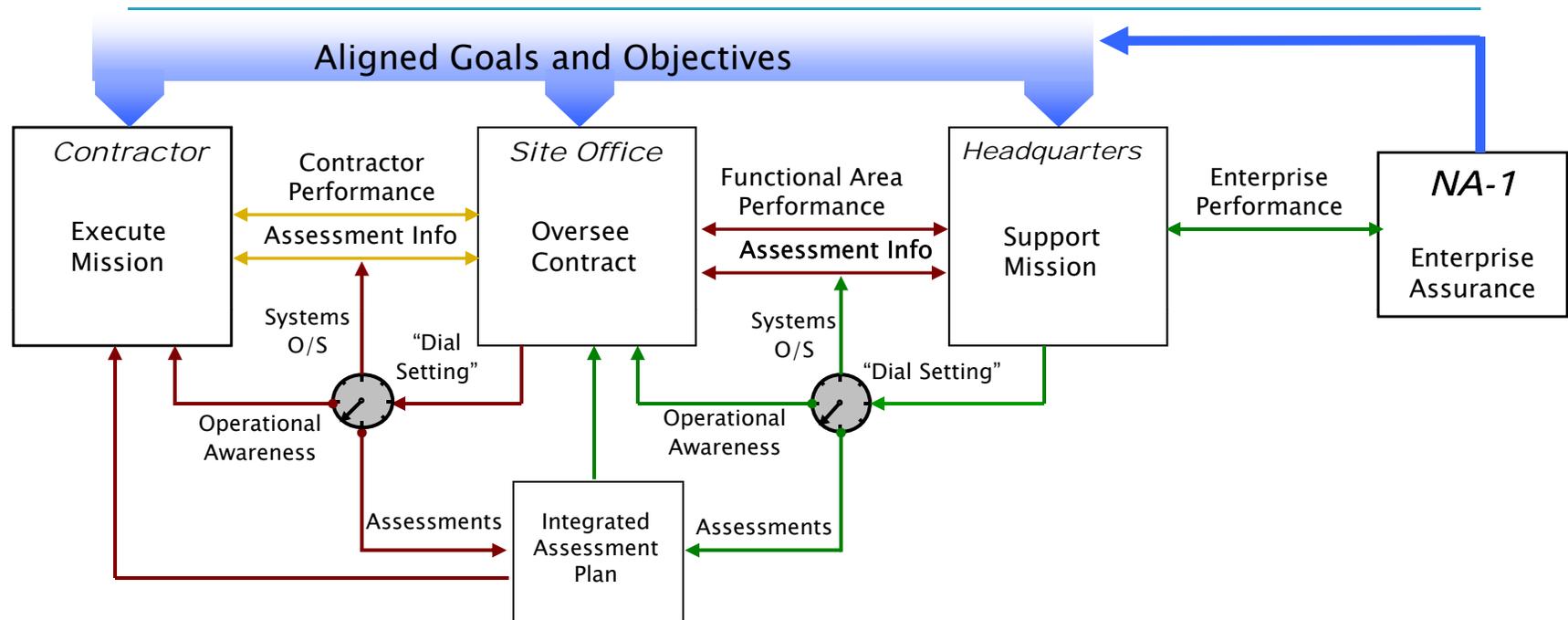
*Site Office Coordination Close To Work*

*Informed Judgment Of CAS Maturity*

*Smaller / More Effective Footprint On Work When Warranted*

**More Effective Oversight**

# Enterprise Assurance Oversight And Assessment Model



**Site Office Risk Informed Oversight Selection (Dial Setting) Considerations**

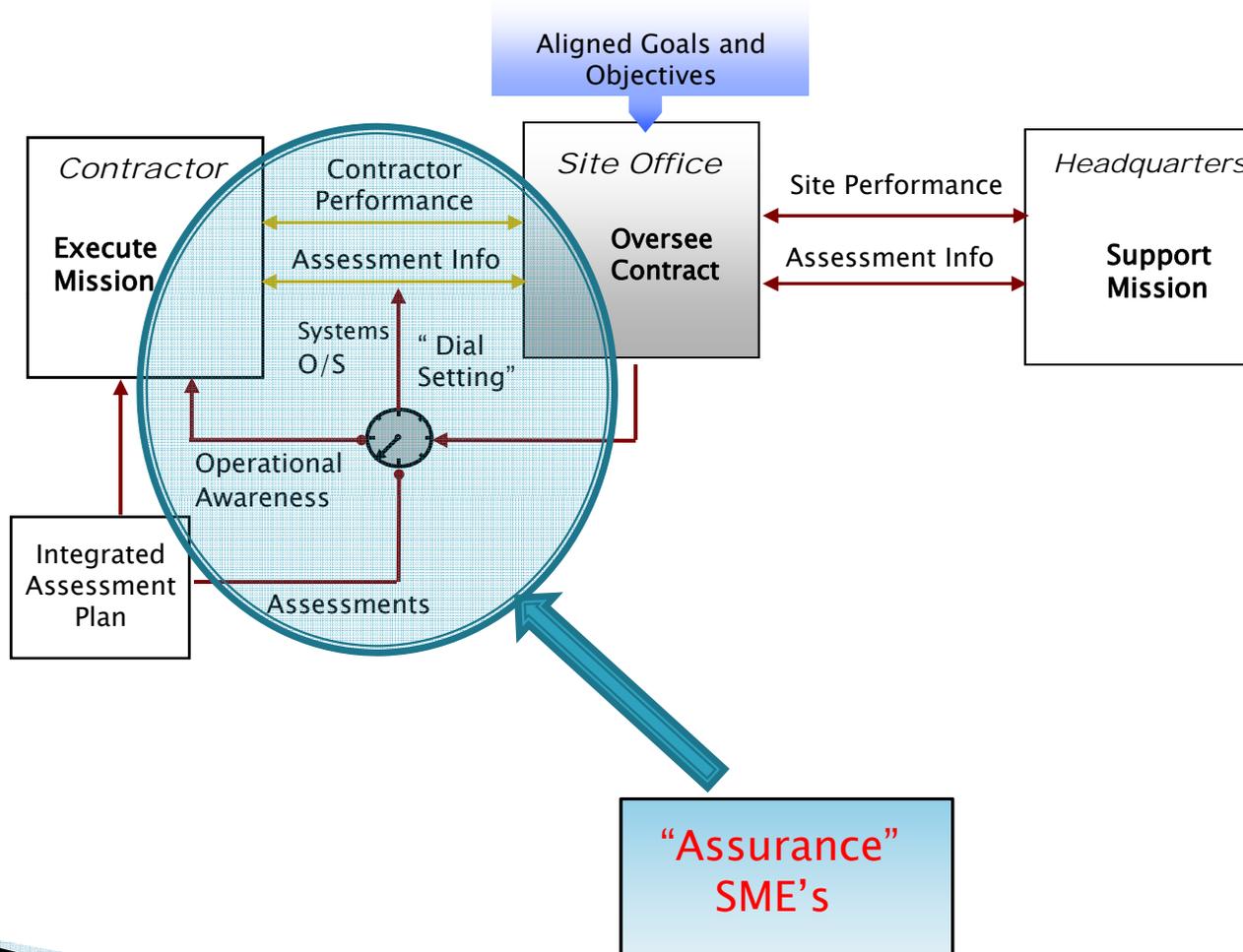
- CAS Maturity
- Contractor Performance
- Operational Risk

**HQ Risk Informed Oversight Selection (Dial Setting) Considerations**

- Field Assurance (LOCAS) Maturity
- Functional Area Performance
- Mission Support Risk

# Where Do You Fit In To This Model

## SME's Are The Lynchpins



# *You Are Key To Setting The “Dial” And Executing The Oversight*

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## PREVIOUS APPROACH

- SME’s Had To Know How To Assess Their Area
- Directives Provided The “When” And “Type” Of Assessment Tool



## NEW APPROACH

- SME’s Have To Analyze Performance and Risk In Their Area
- SME’s Use The Results Of This Analysis To Determine When, What Area, And What Tool To Use

# Setting The “Risk Informed Oversight Dial”

- ✓ *Periodic Required Assessments*
- ✓ *Performance Information*
- ✓ *Risk Determination*

Analyze

- ✓ *What /When to Assess*
  - *Assessment Tool*
    - *Type*
    - *Breadth*
    - *Depth*

## *End State Of Transformation*

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- ▶ A Smaller And Less Expensive Enterprise That Leverages The Scientific And Technical Capabilities Of The Federal and Contractor Work Force To Meet Our Nuclear Security Mission Safely And Securely

## Questions??

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- ▶ Feel Free to Ask during the Workshop
  
- ▶ After the Workshop Contact our NA–SC Support for the Integrated Assessment Planning Project
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