



# OFFICE OF THE INSPECTOR GENERAL

U.S. NUCLEAR REGULATORY COMMISSION

DEFENSE NUCLEAR FACILITIES SAFETY BOARD

## Audit of DNFSB's Issue and Commitment Tracking System (IACTS) and Its Related Processes

**DNFSB-19-A-02**

November 1, 2018



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**DEFENSE NUCLEAR FACILITIES  
SAFETY BOARD**

WASHINGTON, D.C. 20004-2901

**OFFICE OF THE  
INSPECTOR GENERAL**

November 1, 2018

MEMORANDUM TO: Glenn Sklar  
General Manager

FROM: Dr. Brett M. Baker */RA/*  
Assistant Inspector General for Audits

SUBJECT: AUDIT OF DNFSB'S ISSUE AND COMMITMENT  
TRACKING SYSTEM (IACTS) AND ITS RELATED  
PROCESSES (DNFSB-19-A-02)

Attached is the Office of the Inspector General's (OIG) audit report titled *Audit of DNFSB's Issue and Commitment Tracking System (IACTS) and Its Related Processes*.

The report presents the results of the subject audit. Following the October 19, 2018, exit conference, DNFSB staff indicated that the agency had no formal comments for inclusion in this report.

Please provide information on actions taken or planned on each of the recommendations within 30 days of the date of this memorandum.

We appreciate the cooperation extended to us by members of your staff during the audit. If you have any questions or comments about our report, please contact me at (301) 415-5915 or Sherri Miotla, Team Leader, at (301) 415-5914.

Attachment: As stated

cc: R. Howard



# Office of the Inspector General

U.S. Nuclear Regulatory Commission  
Defense Nuclear Facilities Safety Board

DNFSB-19-A-02  
November 1, 2018

## Results in Brief

### Why We Did This Review

Congress created the Defense Nuclear Facilities Safety Board (DNFSB) to identify the nature and consequences of potential threats to public health and safety at the Department of Energy's (DOE) defense nuclear facilities.

In mid-2013, DNFSB created the Issue and Commitment Tracking System (IACS) to replace its previous informal tracking system. IACS is an electronic, SharePoint-based tracking system that DNFSB's technical staff use to support the management of Board member safety items, as well as related DOE and DNFSB internal staff commitments.

The audit objective was to determine if IACS and its related processes are effective in helping DNFSB accomplish its mission. Because IACS 3.0 and its corresponding SharePoint lists serve as the central repository for all safety-related DOE information, OIG concluded that "related processes" would include all relative DNFSB processes that may be informed by IACS in helping Board members make agency safety decisions

### *Audit of DNFSB's Issue and Commitment Tracking System (IACS) and Its Related Processes*

#### What We Found

DNFSB's IACS 3.0 and its related processes are in need of improvement to help DNFSB successfully execute its safety mission.

IACS 3.0 and its related work processes are not always efficient or effective. This is due to a lack of effective communication within the agency, which has created a work culture that could compromise DNFSB's ability to successfully execute its mission.

#### What We Recommend

This report makes eight recommendations that DNFSB provide training on promoting and implementing effective communication and trust in the workplace to staff and Board members, develop a set of principles to help provide the agency a more unified direction relative to DOE safety oversight, clarify IACS and Request for Board Action (RFBA) procedures, create and implement a policy to consistently track RFBA's, implement a policy to better communicate Board decisions to staff, create and implement a self-assessment for Board processes to determine how they could be improved, and examine and update the Board Procedures regarding communication and coordination within the Board.

DNFSB stated their general agreement with the recommendations in this report and did not provide formal comments.

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## **ABBREVIATIONS AND ACRONYMS**

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DNFSB	Defense Nuclear Facilities Safety Board
DOE	Department of Energy
OIG	Office of the Inspector General
IACTS	Issue and Commitment Tracking System
RFBA	Request for Board Action

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## I. BACKGROUND

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Established in 1988, the Defense Nuclear Facilities Safety Board (DNFSB) is an independent organization within the executive branch of the U.S. Government. Congress created DNFSB to identify the nature and consequences of potential threats to public health and safety at the Department of Energy's (DOE) defense nuclear facilities. DNFSB was established to provide the public with assurance that DOE's defense nuclear facilities are being safely designed, constructed, operated, and decommissioned.

In accordance with its enabling legislation, DNFSB's mission is to provide independent analysis, advice, and recommendations to the Secretary of Energy—in the Secretary's role as operator and regulator of DOE's defense nuclear facilities—to ensure adequate protection of public health and safety at these facilities.

DNFSB is supported by approximately 100 permanent employees as of the end of fiscal year 2018, with an annual budget of approximately \$31 million. DNFSB's enabling legislation authorizes a staff of up to 130 full time equivalents in fiscal year 2019.

### **Board Responsibilities**

The DNFSB Board is composed of five Board members<sup>1</sup> (when fully staffed),<sup>2</sup> appointed by the President and confirmed by the Senate, who are respected experts in the field of nuclear safety. The President designates one member as Chairman. No more than three Board members may be of the same political party. Individual Board members have equal responsibility in establishing decisions and determining actions

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<sup>1</sup> "Board members" or "Board" refer to the presidentially appointed, Senate-confirmed Board members serving staggered 5 year terms. Any reference to DNFSB refers to the entire agency. For the purpose of this audit, OIG uses the term "Board members" in general terms. Unless specified otherwise, "Board members" may not indicate a unanimous representation of all four members of the current Board.

<sup>2</sup> There are currently four members serving on DNFSB's Board.

of the agency, and have full access to all information relating to the performance of the agency's functions, powers, and mission. The Board uses a notational voting method to approve or disapprove the issuance of correspondence, as well as for the use of some internal processes such as Requests for Board Action (RFBA)s.<sup>3</sup> To obtain Board approval under notational voting, a quorum of three voting Board members must be established and there must be a majority vote by those Board members participating in the vote.

### **History of IACTS**

In mid-2013, the Issue and Commitment Tracking System (IACTS) was created to replace DNFSB's previous informal tracking system. IACTS is an electronic, SharePoint-based tracking system that DNFSB's technical staff use to support the management of Board member safety items, as well as related DOE and DNFSB internal staff commitments.<sup>4</sup>

As a result of a previous OIG recommendation,<sup>5</sup> the original IACTS-related guidance and procedures were revised in late 2017. In conjunction with the updated guidance, the system was renamed IACTS 2.0, though the system itself was unchanged from the original IACTS.

While IACTS and IACTS 2.0 were effective at tracking items of interest to the technical staff and Board members, there were a few Board-perceived problems with the systems, including

- High-priority Board commitments were being tracked in the same manner as low-priority staff items, which made it difficult to differentiate between them.

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<sup>3</sup> Each Board member may seek staff support or Board action by submitting written proposals for consideration to the rest of the Board. These proposals, or RFBA)s, may involve policy matters before the Board or proposed staff taskings.

<sup>4</sup> DOE commitments are commitments made by DOE to DNFSB, such as reporting requirements from DNFSB letters or implementation plans with deliverables in response to DNFSB recommendations. Internal commitments (i.e., DNFSB staff) are commitments made by technical staff to the Board members in response to Board questions.

<sup>5</sup> OIG report *Audit of DNFSB's Oversight of Nuclear Facility Design and Construction Projects*, DNFSB 16-A-06, July 2016. See recommendation 3 at <https://www.nrc.gov/docs/ML1618/ML16188A213.pdf>.

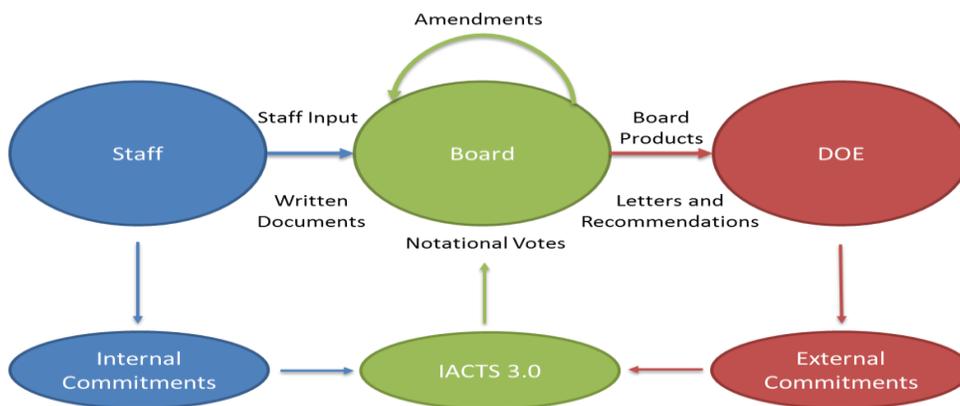
- Unnecessary use of resources for creating, updating, and tracking low-priority items for multiple years.
- Inconsistent use of IACTS and IACTS 2.0 by the technical staff.

Because of these issues, staff decided to quickly shift from IACTS 2.0 to IACTS 3.0. With this shift came a change in focus; specifically, IACTS 3.0 focuses only on internal and external commitments owed to the Board, while all other staff safety-related items are no longer part of IACTS, but are placed in corresponding SharePoint lists.

### General Workflow Process for Potential Safety Items

Technical staff conduct safety reviews at each DOE site based on a Board-approved annual work plan.<sup>6</sup> During the reviews, if staff see a potential safety concern, they will brief the Board members and then draft a paper or report for the Board's review. After addressing any questions or concerns with staff, the Board members then review the document and make any amendments they deem warranted. Subsequently, the Board members will vote on the work product, and, if approved, will send the information to DOE. See Figure 1 for an example of DNFSB's general workflow process.

**Figure 1: Example of DNFSB Workflow Process**



Source: OIG Generated.

<sup>6</sup> Each year, DNFSB's technical staff draft an annual work plan for the upcoming year. The work plan is made up of unaccomplished or partially accomplished activities carried forward from the previous year's work plan, as well as new activities that are added to fulfill DNFSB's ongoing mission. The work plan reflects the prioritized staff workload for the next fiscal year, including the workload for monitoring and analyzing ongoing DOE activities. The Board votes to approve the annual work plan.

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## II. OBJECTIVE

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The audit objective was to determine if IACTS and its related processes are effective in helping DNFSB accomplish its mission. Because IACTS 3.0 and its corresponding SharePoint lists serve as the central repository for all safety-related DOE information, OIG concluded that “related processes” would include all relative DNFSB processes that may be informed by IACTS in helping Board members make agency safety decisions. These processes include RFBA, the colored folder process, notational voting, internal controls reviews, and how the Board members collectively make decisions. Appendix A contains information on the audit scope and methodology.

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## III. FINDING

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IACTS 3.0 and its related processes are in need of improvement to help DNFSB successfully execute its safety mission. Specifically, DNFSB should

- Provide training on promoting and implementing effective communication and trust in the workplace to staff and Board members.
- Develop a set of principles to help provide the agency a more unified direction relative to DOE safety oversight.
- Clarify and update IACTS and RFBA procedures.
- Create and implement a policy to consistently track RFBA.
- Implement a policy for Board members to communicate the basis for certain votes, not participating, or abstaining from the voting process.

- Create and implement a self-assessment for Board member processes to determine how they could be improved.
- Examine and update the Board Procedures regarding communication within the Board.

### **A. IACTS 3.0 and Related Processes Are Not Always Efficient or Effective**

IACTS 3.0 and its related work processes are not always efficient or effective. This is due to a lack of effective communication within the agency, which has created a work culture that could compromise DNFSB's ability to successfully execute its mission.

#### ***What Is Required***

##### **DNFSB Should Operate in an Efficient and Effective Manner**

DNFSB's Strategic Plan states the agency is to achieve its mission efficiently and effectively in a manner that is accountable and transparent. DNFSB will communicate transparently with the Board's stakeholders on Board safety issues, and will conduct operations fostering an organizational culture that relies on high standards of integrity and operational proficiency.

#### ***What We Found***

##### **IACTS 3.0 and Its Related Processes Are Not Always Efficient or Effective**

###### **IACTS 3.0**

IACTS 3.0 and its related work processes are not as efficient or effective as they should be. IACTS has been in a constant state of flux over the past year. Staff created IACTS 3.0 in response to OIG's 2016 *Audit of DNFSB's Oversight of Nuclear Facility Design and Construction Projects* audit report, in addition to some Board members' concern that IACTS is

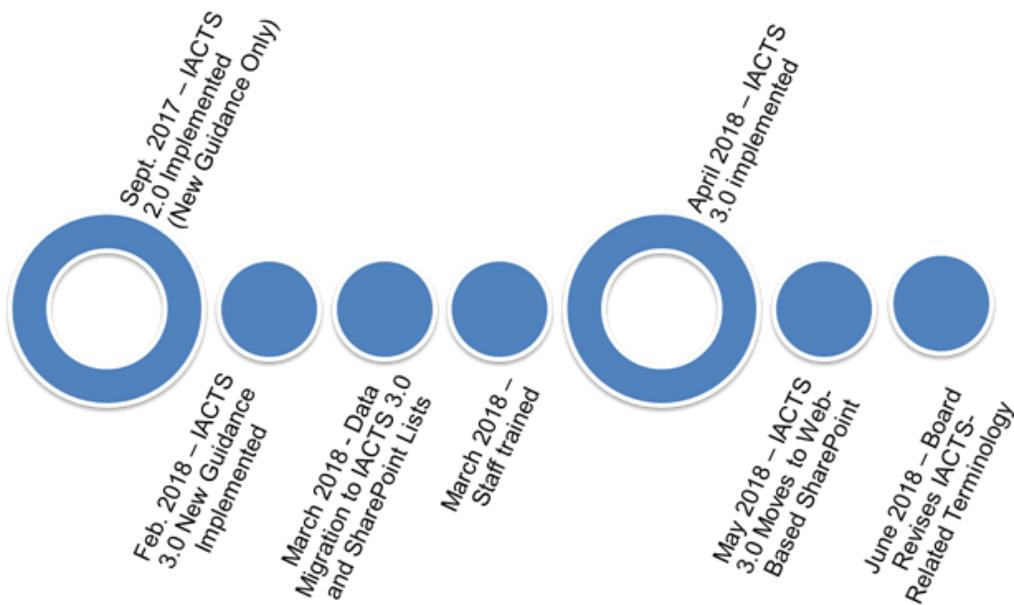
where Board issues “went to die.” Certain Board members assert that staff do not follow through or disposition their concerns appropriately. As a result, staff decided to redesign IACTS to make it more responsive to Board member concerns.

In September 2017, IACTS transitioned from the original version to IACTS 2.0 with new guidance. Just 5 months later in February 2018, IACTS 3.0 was announced, also requiring the development and issuance of new temporary guidance with different terminology. Subsequently, an IACTS team transitioned numerous records from IACTS 2.0 to 3.0 and conducted training sessions for staff. DNFSB officially transitioned to IACTS 3.0 in April 2018, making it DNFSB's default tracking system. However, a month later, IACTS upgraded from an older version of SharePoint to a newer Web-based version, and Board members renamed and redefined some of the terminology that had just come out with the guidance in February 2018. With increased Board member input, many IACTS-related items that staff had worked and trained on were now obsolete.<sup>7</sup> As of September 2018, staff were still using the guidance issued in February 2018 despite the numerous changes to IACTS. See Figure 2 for a general IACTS timeline.

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<sup>7</sup> Staff conducted several meetings and nearly completed two separate guidance documents detailing two new policies affecting IACTS. However, those documents were revised and have yet to be issued after the Board opted to change terminology associated with IACTS.

**Figure 2: IACTS Timeline**



Source: OIG Generated.

**Request for Board Action (RFBA)**

RFBA's are used by Board members to task staff to gather additional information that is not part of the approved work plan. RFBA's are requests that usually require staff to dedicate a fairly substantial amount of time – anywhere from a week to several months – to complete. The efficiency and effectiveness of RFBA's are questioned by staff since they take up a considerable amount of time and take immediate precedence over items in the annual work plan. Furthermore, for each RFBA, staff said they provide impact statements that discuss the impact the RFBA will have on staff resources; however, they do not believe all Board members truly take these impact statements into consideration. A staff member said he has not seen any kind of restraint from the Board when issuing RFBA's that might be burdensome, while another staff member questioned the opportunity cost of RFBA's. Staff said RFBA's can turn into a continuous cycle of additional questions from Board members, and often result in a document that is never sent to DOE. Due to these comments, OIG requested copies of the impact statements to compare against submitted RFBA's; however, DNFSB was unable to provide the impact statements prior to the issuance of this audit report.

While staff expressed their displeasure with RFBA's, a Board member stated RFBA's are important because they allow for the necessary redirection of staff focus and resources. The RFBA process is designed to allow formal changes to the work plan. These changes may occur if Board members agree to the need for action/information beyond what is in the approved work plan, and if these needs warrant a change in resource priority.

Despite the importance of RFBA's to Board members, there is no formal, consistent method of tracking RFBA's. Though the temporary guidance for IACTS 3.0 specifically states that RFBA's should be entered into IACTS, DNFSB was unable to provide OIG with records of RFBA's and how they were tracked and dispositioned. As of August 30, 2018, there were 32 internal commitments entered into IACTS, yet only 2 of those were RFBA's. OIG examined the publicly available RFBA's from January 2015 through June 2018 and found approximately 58 RFBA's specifically for the Office of the Technical Director (and/or its technical staff) to address. Due to the lack of a formal, consistent tracking mechanism, one Board member said he has to search different sources to try and find out what is happening with the RFBA's.

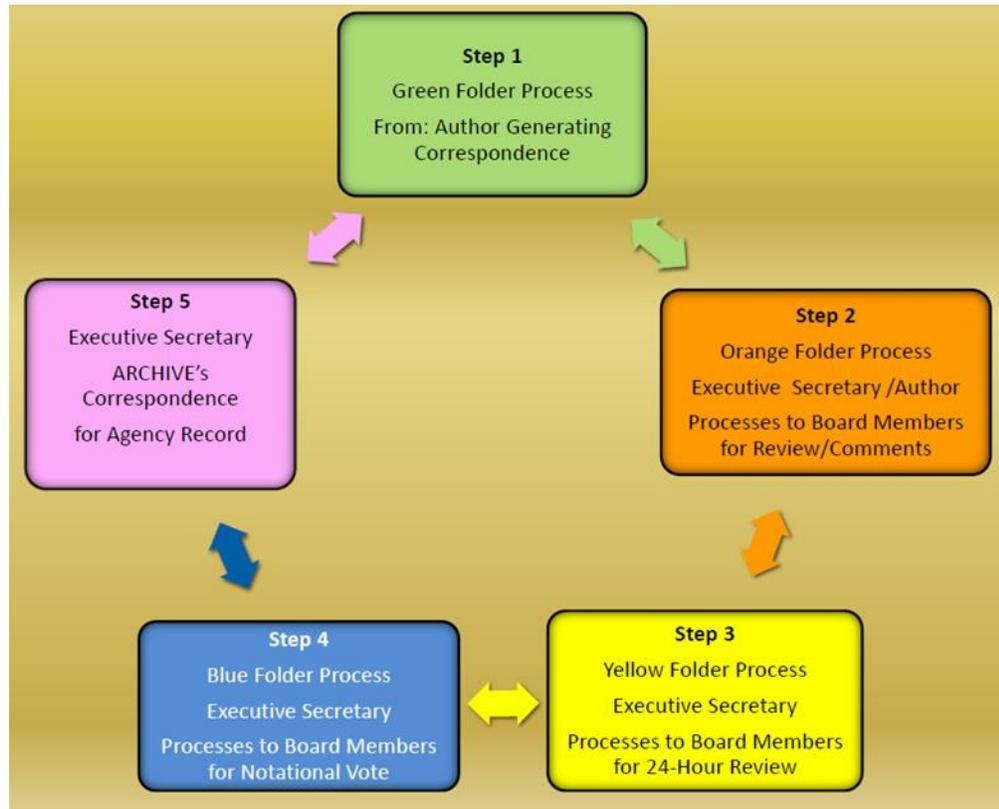
### **Colored Folder Process**

DNFSB uses a colored folder process to facilitate Board member evaluation, review, and comment of all official actions, including staff generated reports.<sup>8</sup> The information in IACTS 3.0 and its corresponding SharePoint lists help inform the technical staff's review planning, which may ultimately end up in a staff report that enters the colored folder process. Figure 3 provides an overview of the process.

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<sup>8</sup> Only staff products that are intended to be issued externally are placed in the colored folder process. Staff products that are intended for internal DNFSB use are not placed in the colored folder process.

**Figure 3: Colored Folder Process**



Source: DNFSB.

The process begins with the Green Folder process where the author of the document (from the technical staff) submits his/her initial written product. Subsequently, the document is processed into the Orange Folder process for each Board member to review, evaluate, and comment on the document. Once each Board member completes his or her review, Board members provide their individual comments to the technical staff. The technical staff visit with each Board member individually to address his or her comments on the document. After the technical staff attempts to address the Board members' comments appropriately, the document then enters the Yellow Folder process. At this point, Board members have 24 hours to review the final staff document. If a Board member wishes to further amend the document, all Board members must vote on the amendment. If the amendment is agreed upon, staff make the change for the Board and the document is then processed into the Blue Folder for a notational vote before it is finally archived.<sup>9</sup>

<sup>9</sup> Step 5 in Figure 3 is the final phase of the Blue Folder process. DNFSB staff confirmed they do not have a separate name for the process that they use to archive Board member votes.

During the Yellow Folder process, Board members will sometimes change the message in the staff's written product. The Board may change or delete entire passages and the written product may no longer match the intended message created by staff. Staff members are not included or consulted at the Yellow Folder process and are uninvolved with any changes made by the Board members. Furthermore, there is the appearance that staff concurred on the final product when, in fact, they only concurred on what was originally sent to the Board from the Green Folder process, and not necessarily on any changes that may have occurred thereafter.

One staff member said staff feel that Board members use the Yellow Folder process to bypass exchanges with staff. Another stated staff are supposed to address all Board members' individual comments, but "these are often contrary to one another." OIG searched the public Yellow Folder records from January 2015 through June 2018 and found that Board amendments were made on 41 of 109 staff products, or a rate of about 38 percent. Additionally, there were a total of 79 Board amendments made to those 41 staff products, or an average of nearly 2 amendments per staff product. This happened despite the fact that staff and the Board have the opportunity to work together and make edits during the Orange Folder process.

A Board member acknowledged that the Board members sometimes wait for the Yellow Folder process to make changes. He noted that he will sometimes see papers submitted to him that ignore or contradict his opinions. Therefore, he will wait until the Yellow Folder process to edit the paper, and he stated staff should not be surprised by him doing so.

### **Board Member Voting**

Per DNFSB's enabling legislation, each member of the Board shall have the following

- Equal responsibility and authority in establishing decisions and determining actions of the Board.

- Full access to all information relating to the performance of the Board's functions, powers, and mission.
- One vote.

Board members use their voting power to exercise their expertise and judgement. It is through this important voting process that the Board members determine and communicate what constitutes a safety item for the agency. Board members sometimes "did not participate" or "abstained" from the voting process. OIG reviewed the Board's public voting records from January 2015 through June 2018 and found that of 246 technical votes, there were 51 occurrences, or nearly 21 percent, where one or more Board members either chose to not participate or abstained from the voting process.

#### Not Participating Versus Abstaining

Any Board member who is unable to vote or who recuses himself or herself from participating in a vote to avoid any potential conflict of interest is considered as "Not Participating," and is not included for purposes of determining a quorum or the outcome of a vote.

Any Board member may "abstain" from voting for whatever reason they wish. In this case, the abstention counts for the purpose of determining the required quorum of three Board members.

### **Internal Controls Review**

DNFSB has an internal controls review team consisting of two Board members and a few DNFSB employees. The purpose of the team is to formally assess a minimum of 30 of DNFSB's significant work processes each year. OIG reviewed the records of the internal controls review team from 2015 through 2017 and found that of the 70 significant work processes reviewed, none were "Board processes," but instead staff processes only.

## Agency Decisions by the Board

On August 15, 2018, DNFSB announced a major agency reorganization to be effective on October 1, 2018.<sup>10</sup> This reorganization was to include staff reassignments, the opening of two satellite offices, the addition of more resident inspectors<sup>11</sup> to specific DOE and National Nuclear Security Administration sites, and a significant overall reduction in staff. This followed an “abrupt” managerial reassignment that just occurred in December of 2017.

### *Why This Occurred*

#### **There Is Ineffective Communication Within the Agency**

The issues with IACTS and its related work processes are symptoms of a much larger issue – a lack of effective communication. Staff have stated that one reason Board members do not often communicate as a group is because of the requirements of the *Sunshine Act*.<sup>12</sup> However, there are instances outside of the *Sunshine Act* requirements when Board members and staff miss opportunities to engage in effective communication.

Staff believe that DNFSB does not have a unified direction or position on safety. For example, Board members have different interpretations of risk acceptance criteria, and they disagree on the use of reporting requirements for DOE. This results in confusion among staff regarding what type of message staff should prepare for delivery to DOE. Four different Board member positions and opinions result in four different agendas being put forward, and “the staff feels stuck in the middle.” One Board member said when he asks staff about DNFSB’s mission and the

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<sup>10</sup> On September 21, 2018, President Donald Trump signed into law H.R.5895, *Energy and Water, Legislative Branch, and Military Construction and Veterans Affairs Appropriations Act, 2019*. This act contains language preventing the implementation of DNFSB’s proposed reorganization.

<sup>11</sup> DNFSB’s enabling legislation authorizes it to assign staff to be stationed at any DOE defense nuclear facility to carry out the functions of the agency. Resident inspectors relocate to a DOE site with defense nuclear facilities and perform direct oversight of the safety of operations.

<sup>12</sup> The *Sunshine Act* is a section of United States Code that prohibits individuals – who are part of a collegial body heading a federal agency – from jointly conducting agency business outside of a setting open to the public, unless otherwise specified.

meaning of oversight, he receives too many differing views. He opined this occurs because the Board has not communicated a cohesive message due to their own differences of opinion.

The following specific examples exemplify the lack of effective communication within DNFSB:

### IACTS 3.0

One of the primary reasons for the continuing changes to IACTS is there is not a clear message from the Board regarding the expectations or purpose of IACTS. Two of the four Board members do not use IACTS and do not think there were any issues with how staff involved Board members regarding the changes to IACTS. However, the other two Board members feel staff were not involving the Board members enough on the changes made to the system. Some Board members also feel staff were not always following up on Board concerns in IACTS. Therefore, a lack of effective communication among Board members and between staff and the Board members have resulted in the continuous changes and subsequent delays with the completion of IACTS 3.0 and its procedures.

### RFBA's

Some of the disagreement over the use of RFBA's occurs because there is no discussion between staff and Board members about the Board member's needs or expectations regarding RFBA's. For example, one staff member said an RFBA was assigned to him and he believes that he could have easily resolved the issue by having a simple conversation with the Board member. However, instead of a discussion, the employee received the RFBA and had to go through the formal response process, thus taking much more time and effort. In another example, a staff member said he was tasked with an RFBA that took 2 weeks to complete. When the time came to brief the Board member, that Board member was no longer interested in the topic. This change was never directly communicated to the staff member by the Board, and the staff member never briefed the Board on the project.

The ineffective communication also involves Board members themselves. According to a staff member, Board members may use RFBA's to prove a point to other Board members. Without effective communication among

Board members to discuss safety issues, the only recourse is to formally task staff to do something through an RFBA. The result of that is discontinuity and staff constantly being redirected. Staff expressed concerns over the sheer volume of RFBA's, and OIG found there were about 58 RFBA's assigned to technical staff from January 2015 through June 2018. However, there may be several more since not all RFBA's are publicly available, and OIG was unable to review these non-public RFBA's prior to the issuance of this audit report. A staff member opined that the RFBA process has harmed the relationship between Board members and between Board and staff.

A Board member, on the other hand, said the Board should be able to redirect staff whenever needed. Circumstances often change during the course of a site review, so if Board members need to create an RFBA to address an issue or concern, it is their prerogative to do so. Board members have also expressed concerns that staff may not present all of the necessary information for the Board to make decisions. As such, Board members believe that RFBA's are a necessary process in order to receive the information they need. Nevertheless, one Board member noted that discussions with staff prior to voting on RFBA's would be beneficial to avoid confusion and to allow an opportunity for the Board Member to amend the proposal or refine it for clarity, if necessary.

RFBA policy is currently covered in the Board Procedures, but there are some elements absent from the guidance. For example, when asked what distinguishes an RFBA from a simple staff task assigned by the Board during a briefing or discussion, staff provided several different answers. Staff's responses varied widely and included tasks that are more than nominal, tasks that take at least 1 week to complete, or tasks that take a significant amount of time. There is no consensus on a time threshold for what constitutes an action to go through the formal RFBA process. Furthermore, there is no mention if or how RFBA's are to be tracked, and when or if additional questions to an RFBA should constitute a new RFBA submission.

#### Colored Folder Process

The Board members and staff appear to break off communications after the Orange Folder process. In other words, once a document moves to the Yellow Folder process, Board members can make changes they feel

are needed and the communication stops. According to Board Procedures, the Executive Secretary is to notify all Board members and Office Directors of a Board member's intent to propose one or more amendments in the Yellow Folder process. However, changes can be made without Board members articulating their concerns to the staff, thus eliminating staff's ability to better understand what is expected of them or to address final Board amendments.

### Board Member Voting

While it is a Board member's prerogative to abstain or not participate in a vote, it is not always clear why Board members choose to do so. It is up to a Board member's discretion to say why he/she elected to abstain or not participate in a vote. During OIG's research of the 51 occurrences where a Board member abstained or did not vote from January 2015 through June 2018, one or more Board members did not provide a reason for abstaining or not voting on 42 occasions, or about 82 percent of the time. This can frustrate staff as voting is a key part of each Board member's responsibilities and Board voting has a large impact on staff and the overall agency. Both staff and Board members have said they suspect that Board members do not participate in certain votes due to political reasons or possible relationships with DOE.

Because of the importance of Board voting, it is also critical for DNFSB staff to know and understand the reasons behind Board member votes so staff can carry out the Board members' intentions in an effective and efficient way. However, Board members do not always provide a technical basis or explanation behind their RFBA's (which go through the voting process), their amendments to staff written products, or their votes that may oppose staff opinion. Consequently, staff can sometimes be confused over Board member intent and their decisions. Board members state that staff may approach them for explanations at any time as the Board members all have an "open door policy." However, staff may not be comfortable with directly questioning Board members about their decisions.

To further add to staff's confusion, actions that originally passed through the Board voting process may not always be implemented. For example, a Board member submitted an RFBA that essentially required all direct staff taskings, no matter how minor, go through the RFBA process. This

vote passed 3 to 2, but it was eventually rescinded by the then-Chairman. If the Chairman has the authority to rescind approved RFBA's, staff may question the significance of the RFBA (and Board voting) process.

### Internal Controls Reviews

With regard to DNFSB's internal controls reviews, the lack of communication comes in the form of diminished internal transparency.

The internal controls review team only reviews staff work processes because Board member processes (such as RFBA's, notational voting, Yellow Folder amendments, etc.) are strictly within the purview of Board members, and there is no requirement that Board members review their own processes.

Board members stated they are aware of some of the issues with their processes and have unsuccessfully tried to remediate these issues in the past. For example, one Board member submitted an RFBA to develop alternatives to improve the efficiency and effectiveness of all processes and products that require Board interaction. This RFBA was not approved through the Board voting process. In another instance, a Board member submitted an RFBA to address such items as establishing a Board review and approval timeline, as well as reviewing the Board's voting process. This RFBA was approved by the other Board members. However, the Board did not approve the proposed plan by staff and the project eventually stalled.

### Communication Within the Board

The major agency reorganization that was to be effective in October 2018 did not include input from all Board members. Though there was a formal vote by the Board members, all of the planning was done by the Chairman. In fact, OIG was informed that there was no consultation with the General Counsel, the General Manager, or technical staff management. Furthermore, OIG issued a report<sup>13</sup> in 2017 with a recommendation that DNFSB "develop and implement a formal, transparent process for annually determining which defense nuclear sites will have resident inspectors, along with the staffing of those sites." Board

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<sup>13</sup> OIG Report *Audit of DNFSB's Resident Inspector Program*, DNFSB-17-A-05, 2017.

Procedures state that Board members are responsible for “revising the number and location of permanent staff assignments at any DOE defense nuclear facility.” OIG was told this formal, transparent process was not conducted in determining resident inspector staffing for the reorganization.

Several DNFSB employees, including Board members, have also lamented over the Board member’s inability to effectively communicate with each other. One Board member said Board members are not communicating, and when two of them talk, the other two “feel left out.” A staff member opined the main obstacle within the agency is the dynamics of the Board members and that anything to help improve communication among the Board members would be helpful to the agency as a whole.

### *Why This Is Important*

#### **There is a Work Culture of Mistrust Which Could Compromise DNFSB’s Ability to Successfully Execute its Mission**

The lack of communication within the agency has led to a lack of trust. This lack of trust has eroded staff’s confidence in the Board and the Board’s confidence in staff. This has resulted in an agencywide morale problem, high staff turnover, and stakeholder questions regarding whether DNFSB can successfully execute its mission under such circumstances.

#### Staff

As noted in the 2018 OIG report *Audit of the DNFSB’s Implementation of Its Governing Legislation*, low employee morale is a significant organizational challenge for DNFSB. Low employee morale could hamper mission effectiveness and lead to employee disengagement. According to a 2009 report by the U.S. Merit Systems Protection Board,<sup>14</sup> employee engagement is higher in agencies in which senior leaders build trust with employees by communicating openly and frequently. The report recommends that agencies invest substantial efforts in gaining the trust and respect of its employees by openly sharing information about the organization and making it safe for employees to express their

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<sup>14</sup> U.S. Merit Systems Protection Board Report to the President and Congress of the United States, *Managing for Engagement – Communication, Connection, and Courage*, 2009.

perspectives. This does not appear to occur within DNFSB as staff have said they do not feel their opinions matter.

The employee trust concerns with the Board have led to high staff turnover. Since January 2017, DNFSB has lost 20 technical staff and have hired only 2 replacements. Many of the employees who left were some of DNFSB's most experienced staff. This has led to a further concern regarding knowledge transfer since staff aren't being replaced at the rate they are leaving, and when they are replaced, the new hires are typically much less experienced. Additionally, the proposed agency reorganization would have included a staff reduction from 117 full time equivalents to 79 full time equivalents, representing a 32 percent cut in overall staff. As a DNFSB staff member said, "DNFSB is losing staff so much now that staff can't get their basic job done."

### Board

Some Board members have not always been satisfied with staff and have questioned staff's effectiveness. This may be partly evident by the previous Chairman's attempt to shut down DNFSB as an agency in June 2017,<sup>15</sup> and the current Chairman's reorganization attempt cutting total staff by 32 percent. The current Chairman opined that DNFSB is too bloated and he disliked how bureaucratic the agency had become, providing an example of a simple welcome letter that took staff approximately 6 months to produce.<sup>16</sup>

There are some other concerns Board members have expressed about the technical staff. One concern is that staff may try to take control of issues directly with DOE, such as by making certain demands, without informing the Board. Board members are concerned that staff could possibly misrepresent the Board. The Board no longer wants staff to talk

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<sup>15</sup> In June 2017, former Chairman Sean Sullivan submitted a letter to the Office of Management and Budget proposing to eliminate DNFSB as an agency. His letter stated that the value provided by DNFSB was "only on the margins," and the elimination of DNFSB would save hidden costs to DOE from responding to Board activities.

<sup>16</sup> OIG's review indicated that some of the delay in producing the letter may have been due to the Board members. According to agency records, staff provided the Board members the draft letter in April 2018, and the final draft (after addressing Board comments) in late June 2018. During the Yellow Folder process, the Board made four additional amendments to the letter prior to the final vote. It took approximately 4 more weeks for the Board to complete its voting process until the letter was issued in late July 2018.

for the Board or make decisions at lower levels without the Board's consent. One Board member noted that Board members have a different view than staff. Staff want to look into issues they specialize in or care about, and they do not necessarily see the overall impact of their decisions on DOE that the Board members do. This led to some of the changes within the agency, such as the modifications to IACTS as well as the issuance of Policy Statement 7.<sup>17</sup>

All Board members also admitted there were trust issues within the Board and that they could work together better. One Board member said while each Board member is privy to information, they must know to ask for the information. Another Board member said the Board does not demonstrate cohesiveness in accomplishing its mission, while another said the level of distrust is "unhealthy."

### Summary

The current lack of communication and trust between Board members and staff, and among Board members, may impact DNFSB's ability to carry out its mission. Board members stated Congress designed the Board the way it did because Congress wanted Board members to have differing views and healthy debates. While OIG agrees with this statement, OIG also believes the intent by Congress was for Board members to collectively work together to pursue its independent oversight mission.

There must be improvement in the current work culture for DNFSB to become more efficient and effective, and to accomplish its mission, and that starts with better communication and workplace trust throughout the entire organization.

### Recommendations

OIG recommends that DNFSB

1. Provide training for the agency, including Board members, focusing on effective communication and trust in the workplace.

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<sup>17</sup> Policy Statement 7 is a Board policy that essentially states staff are no longer to designate items they consider to be possible safety issues as "staff safety items." Staff are now to call these issues "potential safety items." However, the Board did not discuss this new policy with staff prior to the issuance of the policy statement.

2. Develop a set of principles/values, with input from staff, to help provide the agency a more unified direction relative to DOE safety oversight.
3. Clarify and update IACTS procedures.
4. Clarify and update RFBA procedures.
5. Create and implement a policy to consistently track RFBA through a tracking mechanism or through IACTS.
6. Implement a policy for Board members to communicate to staff the basis for their RFBA submissions, votes on technical items that oppose staff opinion, and voting abstentions or non-participation.
7. Create and implement a policy to conduct self-assessments for common Board member processes (e.g., RFBA, notational voting, Yellow Folder process, etc.) to determine how these processes could be improved.
8. Examine and update the Board Procedures to ensure greater communication and coordination within the Board.

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## **IV. DNFSB COMMENTS**

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An exit briefing was held with the Board members on October 19, 2018. Prior to this meeting, the Board members and DNFSB staff reviewed a discussion draft and later provided comments that have been incorporated into this report as appropriate. As a result, the Board members stated their general agreement with the findings and recommendations and chose not to provide formal comments for inclusion in this report.

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## OBJECTIVE, SCOPE, AND METHODOLOGY

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### Objective

The audit objective is to determine if IACTS and its related processes are effective in helping DNFSB accomplish its mission.

### Scope

This audit focused on determining if IACTS and its related processes are effective in helping DNFSB accomplish its mission. We conducted this performance audit at DNFSB headquarters (Washington, D.C.) and in Rockville, MD, from March 2018 to August 2018. Internal controls related to the audit objective were reviewed and analyzed.

### Methodology

OIG reviewed relevant criteria for this audit, including, but not limited to

- “Enabling Statute of the Defense Nuclear Safety Board,” 42 U.S.C. § 2286 et seq.
- The *Atomic Energy Act* of 1954, as amended
- N-550.1, “Issue and Commitment Tracking System (IACTS) Handbook”
- Technical Director’s Standing Order 18-02, “Dispositioning Safety Items and Commitments”

OIG also identified and reviewed DNFSB’s internal documents such as its instructions and operating procedures. In addition, OIG reviewed past audit and evaluation work pertaining to DNFSB’s internal control program conducted by the Government Accountability Office and NRC OIG. The audit work was conducted by performing fieldwork and interviews with

DNFSB staff and Board members located in the Washington D.C. metro area.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Throughout the audit, auditors considered the possibility of fraud, waste, and abuse in the program.

The audit was conducted by Sherri Miotla, Team Leader; Mike Blair, Audit Manager; Roxana Hartsock, Senior Auditor; Connor McCune, Auditor; Regina Revinzon, Senior Auditor; and John Thorp, Senior Technical Advisor.

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## COMMENTS AND SUGGESTIONS

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If you wish to provide comments on this report, please email OIG using this [link](#).

In addition, if you have suggestions for future OIG audits, please provide them using this [link](#).