



OFFICE OF INSPECTOR GENERAL

U.S. Department of Energy

AUDIT REPORT

DOE-OIG-16-16

September 2016

**FOLLOWUP AUDIT OF THE
DEPARTMENT'S CONTINUITY OF
OPERATIONS PLANNING**



Department of Energy
Washington, DC 20585

September 29, 2016

MEMORANDUM FOR THE SECRETARY

FROM:

A handwritten signature in black ink, appearing to read "Rickey R. Hass".

Rickey R. Hass
Acting Inspector General

SUBJECT:

INFORMATION: Audit Report for the "Followup Audit of the Department's Continuity of Operations Planning"

BACKGROUND

Continuity of Operations (COOP) is an effort within individual executive departments and agencies to ensure that essential functions can be performed during and after emergency events that disrupt normal activities. National Security Presidential Directive 51, *National Continuity Policy*, and Federal Continuity Directive 1, *Federal Executive Branch National Continuity Program and Requirements*, require that organizations develop and document a COOP plan and supporting procedures so that, when implemented, the plan and procedures provide for the continued performance of an organization's essential functions under all circumstances. Because the Department of Energy is responsible for some of the Nation's most critical and sensitive activities, such as designing, producing, and maintaining the nation's nuclear weapons, it is imperative that it is able to perform these essential functions across a broad spectrum of events, including emergencies related to natural disasters and pandemics.

In January 2011, we identified weaknesses in the Department's management of its COOP program. Our audit on *Improvements Needed in the Department's Emergency Preparedness and Continuity of Operations Planning* (DOE/IG-0845), with respect to COOP, found that many Department elements had not submitted updated COOP plans; some site offices had not added the COOP Contractor Requirements Document to their management and operating (M&O) contracts; and the COOP plans for some program and field elements did not give full consideration to requirements contained in the Department's continuity directive. The Department generally agreed with our recommendations and indicated that it would implement corrective actions.

Because of the importance of COOP to national security, we initiated this audit to determine whether continuity planning had improved since our previous audit.

RESULTS OF AUDIT

We identified continued weaknesses in the management of COOP programs at Headquarters program and staff offices (program elements), field elements, and at the Department's M&O and facility management contractors. While some progress had been made in adding the COOP

Contractor Requirements Document to M&O contracts, several previously identified issues had not been resolved. Specifically, of the 108 Department elements and contractors that the Department determined were required to have a COOP plan, we found that as of February 2015:

- 24 of 33 Department program elements (73 percent) and 35 of 39 field elements (90 percent) had not submitted the required updated COOP plans, an increase in the number of overdue COOP plans when compared to our 2011 audit finding;
- 4 of the Department's program and field elements had not developed COOP plans;
- 14 of 33 Department program element COOP plans (42 percent) and 22 of 39 field element COOP plans (56 percent) did not address all required COOP plan components; and
- 14 of the 23 contractors we reviewed (61 percent) had not provided updated COOP plans, and 4 contractors (17 percent) had not developed a COOP plan when we initiated our review.

Additionally, our review of the pandemic section of the Department's April 2013 *Continuity of Operations Plan* disclosed that, while providing guidance to Department program and field elements, it did not establish pandemic planning procedures that addressed how the Department would respond to a pandemic event in the Washington, DC, metropolitan area. We also reviewed the pandemic section of four Headquarters program elements' COOP plans and found that the four plans did not address how infectious disease guidance and information would be communicated to Government and contractor employees or define an absenteeism threshold that would prevent the organization from continuing its essential functions.

The COOP issues we identified occurred, in part, because the Department failed to properly identify the resources necessary to maintain a functional COOP program. Department officials at Headquarters program and field offices stated that constraints in resources and the lack of priority placed on the COOP program led to the continued weaknesses we identified. We also noted a lack of coordination and collaboration among Headquarters staff offices in developing a pandemic plan for Headquarters.

Department elements and contractors that have not yet developed a COOP plan or whose plans are outdated or incomplete could hinder the Department's ability to meet its mission essential functions related to national security during a continuity event. A comprehensive COOP plan establishes requirements for planning, preparedness, response, and reconstitution activities to ensure that the Department is ready to respond promptly, efficiently, and effectively to a continuity event involving its personnel, facilities, activities, or operations. The importance of continuity planning at all levels is heightened by recent disruptions caused by major weather events around the country, such as Hurricane Sandy. Other events not related to weather, such as the 2009 swine flu pandemic, further reinforce the need for the Department to ensure that it is ready to effectively respond to emergencies and resume or sustain mission activities as quickly as possible.

Our audit disclosed that many of the previously identified issues related to the Department's COOP program had not been resolved. Although the Department's stated corrective actions addressed some COOP issues identified in our prior report, they did not institutionalize budgetary procedures to ensure that continuity is adequately planned and programmed on an ongoing basis. To that end, we made several recommendations similar to those included in our previous report intended to improve the management of the Department's COOP and pandemic program.

MANAGEMENT RESPONSE

Management concurred with the report's recommendations and indicated that corrective actions had been initiated or were planned to address the issues identified in the report. We consider management's comments responsive to the report's recommendations.

Management's comments are included in Appendix 3.

cc: Deputy Secretary
Administrator, National Nuclear Security Administration
Under Secretary for Science and Energy
Deputy Under Secretary for Management and Performance
Chief of Staff

FOLLOWUP AUDIT OF THE DEPARTMENT’S CONTINUITY OF OPERATIONS PLANNING

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FOLLOWUP AUDIT OF THE DEPARTMENT'S CONTINUITY OF OPERATIONS PLANNING

DETAILS OF FINDING

The Department of Energy is responsible for some of the Nation's most critical and sensitive activities including designing, producing, and maintaining the Nation's nuclear weapons, as well as addressing the Nation's energy and environmental challenges. In this role, the Department identified 3 primary mission essential functions and 23 mission essential functions as activities that must be supported through Continuity of Operations (COOP) and Continuity of Government capabilities.¹ Accordingly, the Department's COOP directive,² established COOP requirements for Department elements to develop, document, and test COOP plans and pandemic planning at most of the Department's programs, sites, and facilities. The Department's Continuity Program Office (CPO), under the National Nuclear Security Administration's Associate Administrator, Office of Emergency Operations, is responsible for activities related to the strategic development, coordination, implementation, and maintenance of the Department's Headquarters COOP Program. The CPO is also responsible for the development and implementation of the Department's *Continuity of Operations Plan* (overarching COOP plan), which documents and implements the Department's COOP program and provides guidance to Department field elements for their COOP programs.

In January 2011, we identified weaknesses in the Department's management of its COOP program. Our audit report on *Improvements Needed in the Department's Emergency Preparedness and Continuity of Operations Planning* (DOE/IG-0845), with respect to COOP, found that many Department elements had not submitted updated COOP plans in accordance with Department Order 150.1, *Continuity Programs*; some site offices had not added the COOP Contractor Requirements Document to their management and operating (M&O) contracts; and the COOP plans for many program and field elements did not fully consider requirements contained in the Department's continuity directive. The problems identified were primarily attributed to a lack of review and oversight by the responsible program and field elements and a lack of dedicated monetary resources.

In our followup audit, we identified continued weaknesses in the management of the Department's COOP program at Headquarters program and staff offices (program elements), field elements, and the Department's M&O and facility management contractors. Specifically, the Department's CPO had identified 108 Department elements and contractors that were required to have a COOP plan in place in fiscal year (FY) 2014; however, our review of 95 COOP plans (72 Department elements and 23 contractors) revealed that many of the issues identified in our prior report had not been adequately addressed. We also found that the Department had not fully addressed pandemic planning requirements. Additional actions are

¹ Primary mission essential functions are agency activities that support the performance of National essential functions before, during, and in the aftermath of an emergency. These activities need to occur continuously or resume within 12 hours after an event and continue for up to 30 days or until normal operations are resumed. Mission essential functions are those essential activities directly related to accomplishing the agency's mission.

² Department Order 150.1A, *Continuity Programs*, was approved on March 31, 2014, and cancelled Department Order 150.1. Department elements were given 1 year to achieve full compliance with the new Order. The requirements pertaining to the issues discussed in this report are applicable under both Orders.

necessary to ensure that contingency planning for COOP at the Department is effective and fully addresses capabilities that enable Department elements and contractors to continue mission essential functions across a broad spectrum of emergencies, including pandemic events.

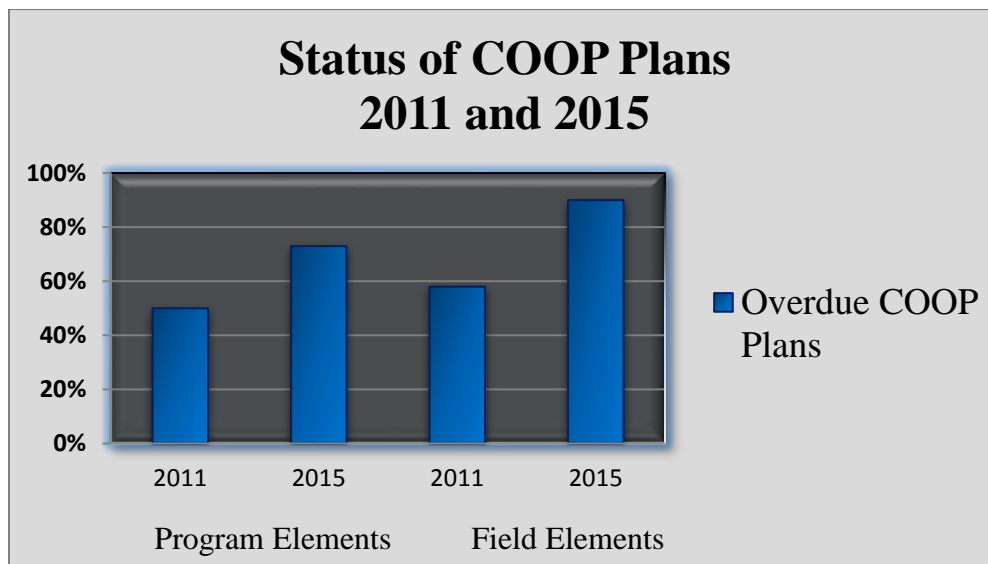
Continuity Plans at Department Elements

Department Order 150.1A requires that program and field elements review and update COOP plans annually and then submit a copy to the CPO. Most of the Department’s program and field elements had not annually submitted updated COOP plans to the CPO, as required. In fact, we noted an increase in the number of overdue COOP plans when compared to those identified in our previous audit. We also identified instances where Department program and field elements did not have a COOP plan. Furthermore, many Department program and field element COOP plans did not address all the required components of a COOP plan, as outlined in Department Order 150.1A.

Annual Review and Update of Continuity Plans

During our review, we found that most of the Department’s program and field elements had not annually submitted updated COOP plans to the CPO, as required. Moreover, we noted an increase in the number of overdue COOP plans when compared to the number identified in our previous audit. Specifically, we reviewed the status of COOP plans for 72 Department elements, as of February 2015, and found that 24 of 33 program elements (73 percent) and 35 of 39 field elements (90 percent) had not submitted updated COOP plans, as required by Department Order 150.1A. By comparison, during our previous audit, 50 percent of the program elements and 58 percent of the field elements had not submitted updated COOP plans.

The following chart shows the status of COOP plans for program and field elements during our 2011 and 2015 audits, respectively.



Even though Department Order 150.1A requires that Department program and field elements annually review, update, and provide a copy of their COOP plans to the CPO, some COOP plans had not been reviewed and/or updated in as many as 7 years. For example, during our site visit in January 2015, our review of the COOP plan for the Office of Science's Oak Ridge Office revealed that the plan was approved in 2007 but, according to an Oak Ridge Office official, had not been updated since then. In fact, since at least 2012, the Oak Ridge Office's annual Continuity Readiness Assurance Reports, which describe the organization's ability to respond to a COOP event, have included an improvement item noting the need to revise and update the Oak Ridge Office's COOP plan. This is particularly important because the Oak Ridge Office went through a major reorganization that realigned its roles and responsibilities into four separate offices. In addition, when asked about Oak Ridge Office's procedures for updating its COOP plan to meet the March 2015 implementation requirement in recently revised Department Order 150.1A, the Oak Ridge Office official stated that little progress had been made along those lines, and resources were not currently available to revise the COOP plan. Subsequent to our January 2015 site visit, the Oak Ridge Office revised and issued the Oak Ridge Reservation COOP plan on September 8, 2015. The Plan provides the operational framework for planning and response to a continuity event affecting Department offices in Oak Ridge, including the Oak Ridge Office, Oak Ridge National Laboratory (ORNL) Site Office, and the Oak Ridge Office of Environmental Management.

We also found four instances where Department program and field elements had not developed a COOP plan. For example, the Southeastern Power Administration (Southeastern) and Oak Ridge Office of Environmental Management, both identified by the CPO as supporting a Department mission essential function, did not have COOP plans when we reviewed them during our audit fieldwork. As previously noted, the Oak Ridge Office updated its COOP plan in September 2015, and the revised COOP plan included the Oak Ridge Office of Environmental Management. Southeastern, however, did not initially have a COOP plan that addressed how it would respond to energy disruptions to ensure rapid recovery of energy supplies. This is particularly notable because Southeastern performs functions necessary to provide electric service to customers and to protect the Federal investment in electric equipment and facilities. During the course of our audit, Southeastern developed a COOP plan and, in June 2016, provided an approved plan directly to the audit team. In addition, a Southeastern official acknowledged that Southeastern had not submitted their COOP plan to the CPO, as required. Department Order 150.1A states that all Department elements must have a continuity capability that is documented in a COOP plan. However, at the beginning of our audit work, no documentation was available to show that these Department elements had developed a COOP program commensurate with their responsibilities to ensure performance of mission essential functions.

Continuity Planning Requirements

Similar to our previous audit, the COOP plans for 36 Department elements did not fully meet planning requirements. Specifically, the COOP plans for 14 of 33 program elements (42 percent) and 22 of 39 field elements (56 percent) did not address all requisite components of a COOP plan according to the requirements of Department Order 150.1A.³ For example, the

³ Department Order 150.1A states that a COOP plan must address the following elements: essential functions; orders of succession; delegations of authority; alternate operating facilities; continuity communications; essential records;

COOP plan for the Pacific Northwest Site Office addressed only 4 out of 11 required components. Specifically, the Pacific Northwest Site Office plan did not identify an alternate operating facility; continuity communications; human resources planning; devolution of operations; reconstitution activities; testing, training and exercises (TT&E); and pandemic planning. During the course of our audit, the Pacific Northwest Site Office indicated that it had taken measures to revise its COOP planning processes to allow for better integration with the Pacific Northwest National Laboratory's Business Continuity Plan. A Pacific Northwest Site Office official stated that the office is also actively engaged with the CPO in creating a framework that is more applicable to the Office of Science's field elements and multi-program laboratories in order to address necessary components. In addition, the Headquarters Office of Fossil Energy's (Fossil Energy) COOP plan addressed only 8 of the 11 required components. For instance, the Fossil Energy COOP plan did not consider human resource planning, TT&E, and reconstitution activities. After reviewing a draft of this report, the Office of Fossil Energy submitted an updated 2016 COOP plan to the CPO that addressed all 11 planning components.

In addition to the Pacific Northwest Site Office and Fossil Energy, the COOP plans for six other Department elements failed to address the TT&E COOP plan component, a requirement that the Department's former CPO Manager⁴ had identified as an area of concern. In fact, the former CPO Manager indicated that he had reviewed the Department's FY 2014 continuity readiness reports and determined that several Department elements reported not having completed a COOP exercise or had not provided details on the exercises that they reported completing. Additionally, an Oak Ridge Office COOP official stated that its COOP plan had never been tested, and exercises had not been conducted other than supporting the CPO's annual exercise. While acknowledging that this requirement had not been fully implemented, an Oak Ridge Office official indicated that it is in the revised COOP plan, and they expect to accomplish Continuity Emergency Readiness Group training and conduct a tabletop exercise in FY 2016. Department Order 150.1A requires that Department elements develop and implement TT&E programs to assess, demonstrate, and improve their ability to respond to a continuity event. Periodic testing of continuity capabilities enables leadership to establish clear goals and ensures that resources and procedures are kept in a constant state of readiness.

Furthermore, Department Order 150.1A requires each program and field element to have its COOP program reviewed once every 3 years by an entity technically qualified, knowledgeable in the areas to be assessed, and not involved with the development of the COOP program. We requested information on triennial reviews from two field elements and four program elements. All six reported not having had their COOP plans reviewed or could not provide documentation to show that their COOP plans had been reviewed by an independent subject matter expert in the last 6 years. While acknowledging that the triennial review had not been conducted, two program officials stated that they intend to have the Department's CPO Manager or a subject matter expert review their COOP plans, as required. Triennial reviews provide additional assurance that each Department element's mission readiness program is adequate to ensure that essential functions can be performed during a continuity event.

human resources; testing, training, and exercises; devolution; reconstitution; planning and response to infectious disease/pandemic influenza; and cyber events. For consistency, we emphasized the first 11 elements, which we had also reviewed in our prior audit.

⁴ According to Department officials, the CPO Manager retired during the audit in December 2015.

Continuity Plans at Department Contractors

Department Order 150.1A requires contractors responsible for work or operations at Department sites or facilities that support or perform the Department's mission essential functions to develop, implement, and update a COOP program designed to assist the Department in continuing to accomplish its mission essential functions. We reviewed COOP planning documents for 23 M&O and facility management contractors identified by the CPO as being partners with the Department in the performance of mission essential functions during a continuity event. We found that these contractors had not always provided an updated COOP plan to the Department, and some had not developed a COOP plan. Specifically, 14 of the 23 contractors (61 percent) we reviewed had not provided updated COOP plans and 4 (17 percent) had not developed a COOP plan. For example, the Department's site offices did not require ORNL and Pacific Northwest National Laboratory (PNNL) contractors to develop COOP plans even though the CPO identified both laboratories as supporting Department mission essential functions as early as 2008.

Officials at the Department's ORNL Site Office and the Pacific Northwest Site Office indicated that prior to mid-2014, their position was that the laboratories' contractor activities did not support Department mission essential functions, but their position had changed as a result of the Acting Director of Science's concurrence with the CPO's assessment of the Department's primary mission essential functions and mission essential functions. The Pacific Northwest Site Office indicated that it had added the COOP requirement to the PNNL contract and, during our review, the contractor took action to develop its COOP plan and submitted it to the Department in November 2015. In addition, the ORNL Site Office added the COOP requirement to the ORNL contract on August 3, 2015, and ORNL developed an action plan with the goal of meeting the intent of the continuity directive within 24 months.

The ability to respond promptly, efficiently, and effectively to a continuity event requires the conduct and documentation of COOP planning. While an emergency cannot be predicted, planning for such events can support efforts to mitigate its impact on people, facilities, and essential functions. The importance of the activities performed by these contractors reinforces the need for a COOP program that is well documented and current and that addresses all COOP planning requirements.

Pandemic Planning

The *National Strategy for Pandemic Influenza Implementation Plan* (Implementation Plan) requires Federal agencies to develop operational plans addressing issues such as protecting Federal employees, sustaining critical infrastructure, and mitigating impact to the economy during a pandemic event. While a pandemic event will not directly damage physical infrastructures, such as power lines or computer systems, it threatens the operation of vital systems by endangering and potentially removing from the workforce for weeks or months the essential personnel needed to operate them. As such, pandemic planning is one of the 11 required components that must be addressed in a COOP plan per Department Order 150.1A.

Pandemic Planning in the Department's COOP Plan

Our review of the pandemic planning section of the April 2013 overarching COOP plan disclosed that it did not consider all of the issues related to pandemic planning. Department Order 150.1A states that the Department's Continuity Program must be documented in an overarching COOP plan and must, among other things, address planning and response to pandemics. In addition to providing general guidance for all Department elements to consider when developing their COOP plans, the overarching COOP plan also documents and implements the COOP Program for Department Headquarters and establishes procedures to ensure Department Headquarters' ability to accomplish its essential functions during continuity events. For instance, the overarching COOP plan provides guidance to program and field elements on alternate operating facility requirements while also containing the plan for use of an alternate operating facility should a continuity event occur at Department Headquarters in the Washington, DC, metropolitan area. However, we found that, while the overarching COOP plan provided general guidance for Department elements to consider when developing the pandemic planning section of their COOP plans, in the case of the pandemic planning requirement for Department Headquarters, the overarching COOP plan did not specifically establish procedures for the areas identified in the Implementation Plan for Federal agencies. In fact, the Pandemic Annex in the overarching COOP plan was silent on how the Department would respond to a pandemic event in the Washington, DC, metropolitan area. For example, the overarching COOP plan did not establish procedures for how Department Headquarters elements would communicate infectious disease guidance and information to its Government and contractor employees; determine the best course of action to be taken for contractual arrangements; or define absenteeism thresholds that prevent organizations from continuing essential functions during a pandemic.

The Department's former CPO Manager agreed that the overarching COOP plan did not address pandemic planning at Headquarters in the same way that other required components of a COOP plan were addressed. The former CPO Manager also noted that Department Order 150.1A identifies the Office of Environment, Health, Safety and Security (EHSS) as the lead office for implementing the pandemic planning requirement. Furthermore, Order 150.1A states that EHSS is responsible for developing a plan with procedures and instructions addressing pandemic threats in coordination with the Office of Human Capital Management (Human Capital). To its credit, the Department established the Biological Event Monitoring Team (BEMT) in 2006 to address pandemic planning on behalf of the Department. Its members primarily provide subject matter expertise in public health, epidemiology, and human resource issues. Recommendations, based on authoritative advice from the Department of Health and Human Services and the Centers for Disease Control and Prevention, were used to develop a recommended action matrix that provides guidance to the Department's program offices and field elements on how to respond to the local conditions of a viral outbreak. An official from EHSS maintained that the Department's *Pandemic Influenza Information and Guidance* Powerpedia site serves as the Department Headquarters pandemic plan. However, Department guidance on pandemic planning indicates that a pandemic plan should address how infectious disease guidance will be communicated to employees, define absenteeism thresholds that would prevent the organization from continuing its essential functions, consider telework and social distancing, and be tested periodically, among other things. Although the Powerpedia site provides a wealth of information

on pandemic planning, including the recommended action matrix as well as general educational information about pandemic influenza and preventative information that can be made available to employees at local sites, it does not include a Department Headquarters action plan with procedures that address the minimum planning guidance provided in the Department's overarching COOP plan.

Pandemic Planning at Headquarters Program Elements

We also reviewed the pandemic section in the COOP plans of four Headquarters program elements and found that they were not prepared in accordance with the requirements of Department Order 150.1A and did not address the activities identified in the guidance provided in the overarching COOP plan. Department Order 150.1A requires each Department Headquarters element to develop and implement a specific COOP plan, which includes activities and responsibilities that are coordinated with activities and responsibilities in the Department's overarching COOP plan. In addition, the overarching COOP plan provides guidance to Department elements that identifies areas that the Department elements should address in the pandemic section of their COOP plans. Specifically, none of the four plans we reviewed addressed how infectious disease guidance and information would be communicated to Government and contractor employees, and none of them defined an absenteeism threshold that would prevent the organization from continuing its essential functions. In fact, the four plans referred to the overarching COOP plan for more information on pandemic planning, and included pandemic planning Web sites that we found to be inactive. Overall, the four pandemic plans for Headquarters program elements took a reactive approach to pandemic planning and placed little or no emphasis on preparedness and prevention through communication and non-pharmaceutical interventions.

In contrast to our findings on Headquarters program elements pandemic planning efforts, we found that contractors at the sites we visited had established pandemic plans that addressed planning requirements and guidance. We reviewed pandemic plans at two of the Department's M&O contractors and found that pandemic plans at these facilities addressed the requirements identified in the Implementation Plan and the Deputy Secretary's 2006 memorandum on pandemic influenza. Specifically, pandemic plans at ORNL and the Y-12 National Security Complex (Y-12) included procedures and controls for responding to public health emergencies affecting personnel at the sites. For example, at Y-12, pandemic officials indicated that, due to the nature of Y-12's operations, the culture is safety oriented, and they stated that coworkers can bring to management's attention any health and safety issues that may compromise the work environment. We also found that officials responsible for pandemic planning at both sites had implemented several protocols aimed at protecting employees' health during a pandemic event. For instance, ORNL's plan defined several levels of absenteeism that trigger different actions to ensure that essential functions are maintained. At Y-12, in addition to actions to be taken after a pandemic's effects reached the site, the pandemic plan included preliminary activities such as educating employees, stockpiling disease prevention materials, and implementing early stages of disease control.

COOP Resources and Collaboration

The COOP issues we identified occurred, in part, because the Department had not properly identified the resources necessary to maintain a fully functional COOP program. Department officials at Headquarters program and field offices stated that constraints in resources and the lack of priority placed on the COOP program led to the continued weaknesses identified in the management of the Department's COOP program. In addition, we noted a lack of coordination and collaboration between Headquarters staff offices in developing a pandemic plan for Headquarters.

Resource Management

The Department had not properly identified the resources necessary to maintain a fully functional COOP program. Federal Continuity Directive 1, *Federal Executive Branch National Continuity Program and Requirements*, requires organizations to identify and provide COOP funding and specific budgetary requirements for all levels of their organizations, including subordinate components and regional and field offices, to establish and maintain the requirements for all elements of a viable and resilient continuity capability. Particularly, Federal Continuity Directive 1 requires organizations to develop a multi-year strategy and program management plan that provides for the development, maintenance, and annual review of continuity capabilities and addresses budgetary requirements to support the program. These requirements are implemented through Department Order 150.1A, which requires the CPO to develop and maintain a Department multi-year strategic program management plan to define the resources necessary to develop and maintain a functional COOP program. However, although a draft was prepared in 2013, an official plan has never been prepared or published.

Managers responsible for COOP implementation at Headquarters program and field elements stated that constraints in resources and the lack of priority placed on the COOP program led to the continued weaknesses identified in the management of the Department's COOP program. Department Order 150.1A states that budgetary requirements to support a viable COOP program capability must be defined, and program offices must ensure that budget submissions for facilities, activities, and transportation functions are adequate for effectively implementing and maintaining COOP. However, the Continuity Readiness Assurance Report for one program office stated that the COOP program received limited staffing resources, making it difficult for COOP programs to be fully developed, implemented, and maintained to meet all of the program requirements. During our discussions, Headquarters program office COOP coordinators noted that staff turnover affected their ability to meet COOP requirements, such as annual reviews and updates of their COOP plans. Half of the COOP coordinators we spoke with stated that they had held the position for less than 2 years. Because of the high turnover of COOP coordinators, the CPO has identified training as an issue. In its 2014-2015 Continuity Readiness Assurance Report, the Oak Ridge Office also expressed concern that progress in reviewing and updating its COOP plan had been hindered because resources were not available. Furthermore, CPO officials indicated that management could be doing more to convey the importance of the COOP program and pointed back to the national directive as a requirement.

In our previous audit, we recommended that the Department review allocation of resources for COOP planning to determine if funding levels were appropriate. The Office of Emergency Operations informally surveyed the means by which COOP activities were budgeted and found that most sites did not have discrete or severable budgets for COOP activities and that budget data was in multiple organizations. In addition, the other planned corrective actions in the Departmental Audit Report Tracking System did not institutionalize budgetary procedures to ensure that continuity is adequately planned and programmed on an ongoing basis. In our view, if the Department does not identify the resources it needs to maintain a viable COOP program, its COOP program will continue to be challenged by resource and staffing constraints.

Pandemic Planning Collaboration

We also noted a lack of coordination and collaboration among Headquarters staff offices in developing the infectious disease/pandemic influenza section of the overarching COOP plan for Headquarters, an important component of the Department's overarching COOP plan. Department Order 150.1A states that all COOP plans must address planning and response to a pandemic and holds EHSS, in coordination with Human Capital, responsible for developing a plan with procedures and instructions addressing pandemic threats. Moreover, the Deputy Secretary's 2006 memorandum on pandemic influenza designated EHSS to lead the implementation of the Department's pandemic plan. Despite this responsibility, EHSS and Human Capital officials indicated that the authorities to direct how to implement and document pandemic planning activities involved multiple organizations and were beyond the control of their individual offices. For example, an EHSS official, while acknowledging that some of the areas identified for consideration in the pandemic section of the Department's overarching COOP plan had not been addressed, stated that the lack of communication and coordination within the Department makes pandemic planning efforts difficult. A Human Capital official also indicated that pandemic planning at Headquarters was difficult because there were so many individuals and organizations involved. Given the nature of a pandemic event, we acknowledge that discussion and coordination with other Department elements is essential for a functional overarching pandemic plan. However, this discussion does not relieve the lead office of its responsibilities for developing a plan with procedures and instructions addressing pandemic threats.

Essential Functions

Department elements and contractors that have not yet implemented a COOP plan, or have outdated or incomplete plans, could hinder the Department's ability to meet its mission essential functions related to national security during a continuity event. A comprehensive COOP plan establishes requirements for planning, preparedness, response, and reconstitution activities to ensure that the Department is ready to respond promptly, efficiently, and effectively to a continuity event involving its personnel, facilities, activities, or operations. The Department and its contractors are responsible for maintaining the safety, security, and reliability of nuclear materials in the Department's complex at fixed sites and in-transit; providing operational support and decision-making in response to a nuclear incident, both domestically and internationally; and continuously monitoring and managing the National Energy Infrastructure. Understandably, dedicating resources to contingency planning for an event sometime in the future is often

difficult to justify, particularly considering limited resources and other urgent problems and priorities. However, the importance of continuity planning at all levels has been heightened by recent disruptions caused by major weather events around the country, such as Hurricane Sandy. Other events not related to weather, such as the 2009 swine flu pandemic, further reinforce the need for the Department to ensure it is ready to effectively respond to emergencies and resume or sustain mission activities as quickly as possible.

RECOMMENDATIONS

To promote an effective and comprehensive COOP program within the Department, we recommend that the Administrator for National Nuclear Security Administration, the Under Secretary for Science and Energy, and the Deputy Under Secretary for Management and Performance:

1. Ensure that Headquarters program, staff, and field site offices consider the requirements in Department Order 150.1A when making decisions about budget and allocation of resources to the COOP program; and
2. Require Program and Field Element Managers to ensure that COOP plans at program and site offices and contractor managed facilities are current and address all COOP requirements.

We also recommend that the Associate Administrator for National Nuclear Security Administration's Office of Emergency Operations:

3. Require the Continuity Program Manager to prepare and obtain approval of the Department's multi-year strategic program management plan.

In addition, to help ensure that Department Headquarters elements in the Washington, DC, metropolitan area are prepared and able to respond effectively to an infectious disease or a pandemic influenza event, we recommend that the Administrator for National Nuclear Security Administration and the Deputy Under Secretary for Management and Performance:

4. Require that the Office of Environment, Health, Safety and Security, in coordination with the Office of Human Capital Management, develop the Department's Headquarters Pandemic Plan with procedures and instructions addressing infectious disease and pandemic influenza threats.

MANAGEMENT RESPONSE

Management concurred with the report's recommendations and indicated that corrective actions had been initiated or were planned to address the issues identified in the report. Management noted that under the leadership of the Department's new Continuity Program Manager, hired in March 2016, it had taken a number of actions to evaluate the viability of the COOP program and improve Department-wide adherence to the requirements of Federal Continuity Directive 1 and Department Order 150.1A. Specifically, management indicated that the Continuity Program Manager had benchmarked the Department's COOP program with other Federal agencies to identify best practices; instituted monthly collaborative meetings with COOP program coordinators to more closely monitor progress and reinforce key program initiatives; and initiated a formal COOP Plan Assessment Program to identify specific compliance issues and concrete actions to resolve them.

Management stated that the Continuity Program Office (CPO), working with the appropriate Department organizations, will issue a corporate guidance memorandum reemphasizing COOP requirements and expectations and encouraging program and field element managers to ensure that their plans are current and meet requirements. In order to assist in meeting the requirements, the CPO will develop and implement a formal assessment program; review and update COOP plans, including tracking submission of COOP plans; and distribute a monthly report to senior Department leadership showing the current status of all of the Department's COOP plans. Furthermore, management indicated that the CPO plans to draft and issue an updated multi-year strategic program management plan. Finally, management indicated that the National Nuclear Security Administration will coordinate with the Office of Environment, Health, Safety and Security, the Department's Office of Human Capital Management, and the Biological Event Monitoring Team to ensure the development of the Department's Pandemic Plan.

AUDITOR COMMENTS

Management comments and planned corrective actions are responsive to our recommendations. We modified our report, as necessary, in response to management's comments. Management's formal comments are included in Appendix 3.

OBJECTIVE, SCOPE, AND METHODOLOGY**Objective**

We performed this audit to determine whether Continuity of Operations (COOP) planning had improved since our previous audit.

Scope

The audit was conducted from January 2015 to September 2016, at Department of Energy Headquarters in Germantown, MD, and the Oak Ridge National Laboratory, Oak Ridge Office, National Nuclear Security Administration Production Office, and Y-12 National Security Complex in Oak Ridge, Tennessee. Our scope included a review of COOP and pandemic plans at those locations and other Department program and staff offices, field elements, and facility management contractor COOP and pandemic plans provided by the Continuity Program Office. The audit was conducted under Office of Inspector General Project Number A15GT015.

Methodology

To accomplish our audit objective, we reviewed all 72 program and field element COOP plans provided by the Continuity Program Office, as well as the COOP plans for 23 of 36 facility management contractors. In addition, we reviewed pandemic plans for five program and field elements and two facility management contractors. Our selection was based on whether these entities performed essential functions in support of the National essential functions and were, therefore, required to have a COOP/Pandemic preparedness plan. Because a judgmental sample of Department contractors' COOP and pandemic plans was used, the results were limited to the COOP and pandemic plans selected. In addition, we:

- Reviewed laws, regulations, policies and procedures related to COOP and pandemic planning;
- Reviewed prior reports issued by the Office of Inspector General and the Government Accountability Office;
- Analyzed COOP plans to determine whether key requirements were addressed;
- Analyzed pandemic plans to determine whether key requirements and other areas were addressed;
- Reviewed Department facility management contracts to determine whether the applicable Contractor Requirement Document was included in the contract;
- Reviewed corrective actions taken to address prior audit findings; and
- Discussed COOP/pandemic implementation processes with responsible program officials.

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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. Accordingly, we assessed significant internal controls and the Department's implementation of the *GPR Modernization Act of 2010* and determined that it had not established performance measures specifically related to the COOP program. Because our review was limited, it would not necessarily have disclosed all internal control deficiencies that may have existed at the time of our audit. We did not rely on computer-processed information to achieve our audit objective.

Management waived an exit conference on September 22, 2016.

RELATED REPORTS

Office of Inspector General

- Audit Report on [*Improvements Needed in the Department's Emergency Preparedness and Continuity of Operations Planning*](#) (DOE/IG-0845, January 2011). The audit found, among other things, that 55 percent of Department of Energy elements had not submitted updated Continuity of Operations (COOP) plans in accordance with Department Order 150.1, *Continuity Programs*; some program and site elements' COOP plans did not give full consideration to the requirements contained in Department Order 150.1; and some site offices had not added the COOP Contractor Requirements Document to their management and operating contracts as required by Department Order 150.1.
- Inspection Report on [*The Department of Energy's Pandemic Influenza Planning*](#) (DOE/IG-0784, December 2007). The inspection found that only 36 of 72 organizations (or 50 percent) required to submit a pandemic plan by a June 1, 2007, met the requirement deadline set by the Department's Continuity Program Manager. In addition, only one of the four Department Power Administrations submitted a plan, which was of particular concern given their role in ensuring the Nation's electricity infrastructure. As of October 11, 2007, only 53 of 80 organizations (or 66 percent) had submitted their pandemic plans. The inspection also found that the Department had not fully implemented an overall corporate process for identifying and reporting employees who would be unable to perform their work during a pandemic.
- Audit Report on [*Continuity of Operations at Bonneville Power Administration*](#) (DOE/IG-0781, November 2007). The audit found that the Bonneville Power Administration's (Bonneville) COOP capability was not fully compliant with the Federal Preparedness Circular 65 for all of its essential functions. Specifically, the audit noted that Bonneville needed to improve its alternate operating capabilities for power scheduling and transmission scheduling; did not have specific devolution plans for power scheduling, transmission scheduling, and system operations; and could not always provide evidence that its COOP capabilities were periodically tested or that lessons learned were identified and implemented.
- Audit Report on [*The Department of Energy's Use of the Strategic Petroleum Reserve in Response to Hurricanes Katrina and Rita*](#) (DOE/IG-0747, December 2006). The audit found that the Department used the Strategic Petroleum Reserve (Reserve) and its assets with great effectiveness to address emergency energy needs during the crisis surrounding Hurricanes Katrina and Rita. Despite being in the path of the hurricanes' destruction, the Reserve promptly fulfilled requests for oil from refineries suffering from storm-induced supply shortages. Within 4 days of Hurricane Katrina's landfall, oil was sent to requesting refineries. Overall, the Reserve provided almost 21 million barrels of crude oil to refiners through loans and sales. While the findings of this audit were generally positive, the auditors did identify an opportunity to provide greater assurance that operations could continue in future emergency situations. Specifically, as a result of the

hurricanes, the Reserve's business recovery capabilities were impaired when mission essential computer networks at both the primary and alternate sites were rendered inoperable. The Reserve's primary and secondary facilities were located within 55 miles of each other. As was evident with Hurricane Katrina, both were in Katrina's path and both suffered related service interruptions. While the alternate computer facility's location 55 miles northeast of the primary site appeared acceptable under most circumstances, the far-reaching impact of Katrina proved that the proximity of the alternate site to the primary facilities was less than optimal. This affected the prompt restoration of computer network services vital to COOP of the Reserve.

Government Accountability Office

- GAO Report to Congress on [*Increased Agency Accountability Could Help Protect Federal Employees Serving the Public in the Event of a Pandemic*](#) (GAO-09-404, June 2009). The Government Accountability Office (GAO) surveyed pandemic coordinators from 24 agencies and selected 3 case study occupations for review. The responses showed that several agencies had yet to identify essential functions during a pandemic that could not be performed remotely. In addition, although many of the agencies' pandemic plans relied on telework to carry out their functions, several agencies reported little or no testing of their information technology capability. The GAO's three case study agencies also showed differences in the degree to which their individual facilities had operational pandemic plans. Specifically, the Bureau of Prisons' correctional workers had only recently been required to develop pandemic plans for their correctional facilities; the Department of the Treasury's Financial Management Service, which had production staff involved in disbursing Federal payments such as Social Security checks, had pandemic plans for its four regional centers and had stockpiled personal protective equipment such as respirators, gloves, and hand sanitizers at the centers; and the Air Traffic Control Management facilities, where air traffic controllers worked, had not yet developed facility pandemic plans or incorporated pandemic plans into their all-hazards contingency plans.

MANAGEMENT COMMENTS



Department of Energy
 Under Secretary for Nuclear Security
 Administrator, National Nuclear Security Administration
 Washington, DC 20585



August 16, 2016

MEMORANDUM FOR RICKEY R. HASS
 ACTING INSPECTOR GENERAL

FROM: FRANK G. KLOTZ *FKL 8/16/2016*

SUBJECT: Comments on the Office of Inspector General Draft Report
*Follow-up Audit of the Department's Continuity of Operations
 Planning (2014-03101/A15GT015)*

Thank you for the opportunity to review and comment on the subject draft report. We appreciate the Office of Inspector General's independent review of the Department's Continuity of Operations Program (COOP) planning, and agree with the findings and recommendations in the report. Under the leadership of the Department's new Continuity Program Manager (CPM), hired in March 2016, we have taken a number of actions to evaluate the viability of the Continuity Program and improve Department-wide adherence to the requirements of Federal Continuity Directive 1 and DOE Order 150.1A.

In the short time since his appointment, the CPM has benchmarked the Department's Continuity Program with other Federal agencies to identify best practices; instituted monthly collaborative meetings with Continuity Program Coordinators to more closely monitor progress and reinforce key program initiatives; and initiated a formalized Continuity Plan Assessment Program to identify specific compliance issues and concrete actions to resolve them. Going forward, the CPM will work with the Department to issue corporate guidance clarifying Continuity requirements and expectations, to include: contractor requirements; resource allocation; and planning and reporting. Monthly management reporting on progress in developing and maintaining compliant Continuity Plans will also be instituted to enhance transparency and awareness of program performance on an on-going basis.

We will consider the auditors' findings as we work to enhance the resiliency of the Department's Continuity Program. The attachment to this memorandum details the specific actions planned and taken to address the report's recommendations, as well as timelines for completion. We have also provided technical and general comments under separate cover for your consideration to enhance the clarity and factual accuracy of the report. If you have any questions regarding this response, please contact Mr. Dean Childs, Director, Audit Coordination and Internal Affairs, at (301) 903-1341.

Attachment



NATIONAL NUCLEAR SECURITY ADMINISTRATION
Response to Report Recommendations

Follow-up Audit of the Department's Continuity of Operations Planning (A15GT015)

The Office of Inspector General (OIG) recommended that the Administrator for the National Nuclear Security Administration, working with the appropriate Departmental elements:

Recommendation 1: Ensure that Headquarters (HQ) program, staff, and field site offices consider the requirements in Department Order 150.1A, *Continuity Programs*, when making decisions about budget and allocation of resources to the COOP program.

Management Response: Concur

The Continuity Program Office (CPO), working with the appropriate Departmental organizations, will issue a corporate guidance memorandum re-emphasizing COOP requirements and expectations. This will include expectations for: a) addressing DOE Order 150.1A in current and future management and operating (M&O) contracts; and b) proper allocation of personnel and financial resources to support the continuity program and the overall resilience of their respective programs.

The memorandum is expected to be issued by December 31, 2016. The initial estimated completion date for all activities to address this recommendation is September 30, 2017. Progress will be evaluated through the annual Continuity Readiness Assurance Report and updates to organizational continuity plans. The estimated completion date will be reevaluated if necessary based on progress.

Recommendation 2: Require Program and Field Element Managers to ensure that COOP plans at program and site offices and contractor managed facilities are current and address all COOP requirements.

Management Response: Concur

The Continuity Program Office (CPO) will issue a corporate guidance memorandum encouraging Program and Field Element managers to ensure that their plans are current and meet requirements.

The CPO will take the following actions to assist in meeting this requirement:

- Develop and implement a formal assessment program, including a three-year cycle of assessments, a staggered schedule (to ensure balanced workload for the Continuity Program Office), and reporting protocols;

Attachment

- Review and update continuity plans, and track submission of continuity plans to the Continuity Program Office in accordance with the Plan Assessment Schedule; and,
- Distribute a monthly report to senior DOE/NNSA leadership showing the current status of all of the Department's continuity plans.

The memorandum is expected to be issued by December 31, 2016. The initial estimated completion date for all activities to address this recommendation is September 30, 2017. Progress will be evaluated through the annual Continuity Readiness Assurance Report and updates to organizational continuity plans. The estimated completion date will be reevaluated if necessary based on progress.

Recommendation 3: Require the Continuity Program Manager to prepare and obtain approval of the Department's multi-year strategic program management plan.

Management Response: Concur

The Continuity Program Office will draft and issue an updated multi-year strategic program management plan. The estimated completion date for this action is December 31, 2016.

Recommendation 4: Require that the Office of Environment, Health, Safety and Security, in coordination with the Office of Human Capital Management, develop the Department's Pandemic Plan with procedures and instructions addressing infectious disease and pandemic influenza threats.

Management Response: Concur

NNSA will coordinate with the Office of Environment, Health, Safety and Security, the Department's Office of Human Capital Management, and the Biological Event Monitoring Team to ensure the development of the Department's Pandemic Plan.

The estimated completion date for this action is June 30, 2017.

FEEDBACK

The Office of Inspector General has a continuing interest in improving the usefulness of its products. We aim to make our reports as responsive as possible and ask you to consider sharing your thoughts with us.

Please send your comments, suggestions, and feedback to OIG.Reports@hq.doe.gov and include your name, contact information, and the report number. Comments may also be mailed to:

Office of Inspector General (IG-12)
Department of Energy
Washington, DC 20585

If you want to discuss this report or your comments with a member of the Office of Inspector General staff, please contact our office at (202) 253-2162.