



Memorandum from the Office of the Inspector General

November 6, 2019

Brian E. Brigman

**FINAL REPORT – EVALUATION 2019-15682 – ORGANIZATIONAL EFFECTIVENESS
FOLLOW-UP – SEQUOYAH NUCLEAR PLANT SITE SECURITY**

The Office of the Inspector General (OIG) previously conducted an evaluation of Sequoyah Nuclear Plant (SQN) Site Security¹ to identify strengths and risks that could affect SQN Site Security's organizational effectiveness. Our report identified several strengths and risks along with recommendations for addressing those risks. In response to that report, Tennessee Valley Authority (TVA) management provided their management decision. The objective of this follow-up evaluation was to assess actions taken to address the concerns identified in our initial organizational effectiveness evaluation. In summary, we determined TVA management has taken actions to address the risks.

BACKGROUND

On September 24, 2018, we issued a report on the organizational effectiveness of SQN's Site Security organization. SQN Site Security is responsible for maintaining physical security at SQN through the execution of its security plans. The organization supports TVA's core safety value as well as Nuclear Power Group's mission of generating safe, reliable, and affordable electricity. As of February 15, 2018, SQN Site Security included two departments, Site Security and Security Support, and had 172 employees, including management.

In our previous evaluation of SQN Site Security, we identified strengths and risks and provided recommendations to address the risks. Specifically, we recommended the Senior Manager, SQN Site Security:

1. Identify communication gaps and take actions as necessary to address them.
2. Address the accountability perceptions and develop an action plan to ensure consistency.
3. Address management behaviors not in alignment with leadership competencies.
4. Evaluate staffing and overtime usage to determine if it is cost-beneficial to hire additional employees and lessen the use of overtime.
5. Determine if individuals are acting unethically and take action as appropriate.

¹ Evaluation 2018-15550, *Organizational Effectiveness – Sequoyah Nuclear Plant Site Security*, September 24, 2018.

This report covers our review of management’s actions taken to address the risks from our initial organizational effectiveness evaluation. Please see the Observations section below for management’s actions.

OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective was to assess actions taken to address the concerns identified in our initial SQN Site Security organizational effectiveness evaluation. To achieve our objective, we:

- Reviewed (1) Evaluation 2018-15550 to determine the risks previously identified and (2) SQN Site Security’s management decision dated November 14, 2018, to determine actions planned.
- Reviewed documentation provided by SQN Site Security, Human Resources, TVA Financial Services, Corporate Nuclear Security, and OIG associated with management’s actions.
- Developed questions and conducted interviews with (1) 40 judgmentally selected individuals and (2) the organization’s three senior leaders.

This evaluation was performed in accordance with the Council of the Inspectors General on Integrity and Efficiency’s *Quality Standards for Inspection and Evaluation*.

OBSERVATIONS

In summary, we determined TVA management has taken actions to address the risks outlined in our initial evaluation. See the figure below and on the following pages for our observations regarding management’s actions.

MANAGEMENT’S ACTIONS AND OUR OBSERVATIONS

Risk	Management’s Actions	OIG’s Observations
Inadequate Communication	Management stated they had begun attending shift briefings more often and been more visible in the field by increasing post visits. The Security Superintendent was holding supervisor meetings on a regular basis to communicate expectations and standards and address any issues. Security management was conducting a Plan of the Day meeting which supervisors were required to attend.	Based on discussions with management, (1) the SQN Security Senior Manager and Security Superintendent regularly attend shift briefing meetings to address issues that may arise and to brief the group on any site issues, and (2) the Security Superintendent holds meetings with supervision to ensure alignment across all security crews. Additionally, the union representative periodically meets with SQN Security management to address officers’ questions and concerns. We conducted interviews with a sample of employees and managers to determine whether communication concerns were addressed since our initial evaluation. Most of the individuals interviewed provided positive feedback indicating communication is either good or adequate and in some cases, has improved.

Risk	Management's Actions	OIG's Observations
Accountability Concerns	<p>Management stated weekly meetings were being held with HR to ensure actions taken were in line with the TVA Security Fleet and other organizations on site. With any adverse action, management develops a Safety Conscience Work Environment mitigation plan which was approved by the Executive Review Board members and communicated to the Security Organization.</p>	<p>Based on documentation and discussions with management and HR, the SQN Security Senior Manager and Security Superintendent meet weekly with HR personnel to discuss any issues within the department. Security management has worked with TVA's Executive Review Board on adverse actions and completed Safety Conscience Work Environment mitigation plans, if applicable.</p> <p>We conducted interviews with a sample of employees and managers to determine whether accountability concerns were addressed since our initial evaluation. Most of the individuals interviewed provided positive feedback related to accountability in the organization.</p>
Management Behaviors	<p>Management stated all TVA Nuclear Security Departments conducted an excellence plan for the Security management team. This excellence plan identified the following gaps: lack of personal accountability, setting direction through communicating the right message, culture of passive acceptance, and overreliance on knowledge-based decision making. All Security management is going through training and coaching sessions as a part of the excellence plan.</p>	<p>Based on information provided and discussions with management, SQN Security senior management (1) completed implementation of the security fleet excellence plan on April 30, 2019, (2) developed and discussed a leadership reaffirmation document with shift supervisors and managers, and (3) completed Leaders Leading Leaders training and/or Advancing Leadership Effectiveness training. Additionally, shift supervisors and managers completed Advancing Leadership Effectiveness training.</p> <p>We conducted interviews with a sample of employees and managers to determine how management was exhibiting leadership skills and TVA Values and Competencies. Many of the individuals interviewed provided positive feedback of management's leadership skills and competencies. Some employees indicated they have seen change in this area and/or things are better than what they were before. Also, some of the supervisors and managers indicated they have undergone leadership training since our initial evaluation.</p>
Perception of Insufficient Resources	<p>Management stated the SQN Security Manager met with the SQN Site Vice President who authorized over hiring to address the overtime concern. According to the Site Security Manager, SQN Site Security has hired additional personnel to help alleviate overtime and improve the officers' quality of life. Management also hired two temporary supervisors as a short term fix to the supervisor headcount.</p>	<p>We compared overtime data for the time period of September 24, 2017, to August 21, 2018, to the overtime data for the time period of September 24, 2018, to August 21, 2019. We determined overtime hours decreased by more than 14,000 hours.</p> <p>We compared the current headcount, as of August 21, 2019, to the headcount from the initial evaluation and determined both contained 172 employees. We also noted the original headcount had eight individuals on the duty restriction list, while only three were on the duty restriction list in the current headcount. Although the total headcount did not change, there are fewer employees on the duty restriction list currently; therefore, more employees are now available to work.</p>

Risk	Management's Actions	OIG's Observations
Perception of Unethical Actions	Management determined the issue identified during the OIG Audit was an issue that was reported over seven years ago-which was investigated by the previous Site Security Manager and was found to have no merit. There was another issue of unethical practices, in the last few months, with a different individual who was eventually terminated.	We conducted interviews with a sample of employees and managers to determine if actions were taken to address the perception of unethical actions risk identified in the initial evaluation. Most of the individuals interviewed provided positive feedback related to the current state of ethics in the organization.

In summary, we determined TVA management has taken actions to address the risks outlined in our initial organizational effectiveness evaluation.

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This report is for your review and information. No response to this report is necessary. If you have any questions or need additional information, please contact Andi R. McCarter, Senior Auditor, at (423) 785-4831 or Lisa H. Hammer, Director, Evaluations – Organizational Effectiveness, at (865) 633-7342. We appreciate the courtesy and cooperation received from your staff during the evaluation.



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(Audits and Evaluations)

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