

# U.S. International Trade Commission

*Inspector General Fiscal Year 2017 Annual Audit Plan*



**September 22, 2016**



Office of Inspector General

*The U.S. International Trade Commission is an independent, nonpartisan, quasi-judicial federal agency that provides trade expertise to both the legislative and executive branches of government, determines the impact of imports on U.S. industries, and directs actions against certain unfair trade practices, such as patent, trademark, and copyright infringement. USITC analysts and economists investigate and publish reports on U.S. industries and the global trends that affect them. The agency also maintains and publishes the Harmonized Tariff Schedule of the United States.*

#### *Commissioners*

*Irving A. Williamson, Chairman  
David S. Johanson, Vice Chairman  
Dean A. Pinkert  
Meredith M. Broadbent  
F. Scott Kieff  
Rhonda K. Schmidlein*

# U.S. International Trade Commission

Office of the Inspector General

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## Table of Contents

<b>Introduction.....</b>	<b>1</b>
<b>Mandatory Reviews .....</b>	<b>2</b>
<b>Commission Strategic Goal Reviews.....</b>	<b>3</b>
<b>Strategic Goal 1: Investigate and Decide: Produce sound, objective, and timely determinations in investigative proceedings.....</b>	<b>3</b>
<b>Strategic Goal 2: Inform: Produce objective, high-quality, and responsive tariff, trade, and competitiveness-related analysis and information. ....</b>	<b>5</b>
<b>Management Goals and Objectives.....</b>	<b>6</b>
<b>Management Objective M1.1: People: Efficiently and effectively recruit and develop highly qualified and flexible human capital. ....</b>	<b>6</b>
<b>Management Objective M1.2: Money: Provide good stewardship of taxpayer funds.....</b>	<b>6</b>
<b>Management Objective M1.3: Technology: Deliver high-performing and secure networks and services.....</b>	<b>7</b>
<b>Cross-cutting Objective C.1: Use feedback to improve agency operations and enhance employee and customer satisfaction.....</b>	<b>8</b>
<b>Cross-cutting Objective C.2: Improve the resources and performance capabilities of Commission managers. ....</b>	<b>9</b>

# U.S. International Trade Commission

Office of the Inspector General

---

## Introduction

This annual plan outlines the anticipated reviews to be performed by the Office of Inspector General for fiscal year 2017. The annual plan is generally based on the Office of Inspector General Five Year Strategic Plan that was issued in July of 2013, and addressed fiscal years 2014-2018. The annual planning process provides an opportunity to update the reviews planned for the upcoming fiscal year to address the changing needs and priorities of the Commission.

This document begins by identifying the mandatory reviews required to be performed by the Office of Inspector General, followed by planned reviews of the Commission's strategic objectives. The next section identifies reviews related to Commission management and cross-cutting objectives. There are individual plans within each section that provides the proposed objectives, criteria, benefit and scope. The individual plans are a starting point for work to be performed and the objectives, criteria, and scope may be refined during the audit planning process. A listing of all the reviews planned for fiscal year 2017 is provided in Table 1.

While this document outlines the planned activities, we recognize that new initiatives, programs, issues, staffing, or other concerns may arise that require adjustments to the objective, priority, or schedule of the reviews.

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# U.S. International Trade Commission

## Office of the Inspector General

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### Mandatory Reviews

The Inspector General is required to perform seven mandatory reviews required by law, statute, or other regulation authority. The table below identifies the name of the review, a brief description of the requirement, and the authority.

<b>Title</b>	<b>Description</b>	<b>Authority</b>
Financial Statement Audit	Requires the Inspector General to perform an independent audit of the Commission's annual financial statement. The Inspector General is required to render an opinion on whether the Commission's financial statement is presented fairly in all material aspects; report on internal control; and a report on compliance with laws and regulations, as it pertains to the financial statement. The Office of Inspector General outsources this requirement, but maintains an oversight and management role.	The Accountability of Tax Dollars Act of 2002 (ATDA)
CyberScope Assessment	Requires the Inspector General to perform an annual assessment of the agencies information security program. The Office of Management and Budget, along with the Department of Homeland Security dictate the format, contents, and submission requirements annually.	Federal Information Security Management Act of 2002 (FISMA)
Management and Performance Challenges	Requires the Inspector General to submit a report to be included in Annual Financial Report that summarizes what the Inspector General consider to be the most serious management and performance challenges facing the Commission and assess the progress in addressing those challenges.	The Reports Consolidation Act of 2000
Report on Improper Payments	Requires the Inspector General to determine if the Commission is in compliance with IPERA and submit a report each fiscal year to the head of the agency, the Committee on Homeland Security and Governmental Affairs, the Committee on Oversight and Governmental Reform, and the Comptroller General.	Improper Payments and Recovery Act of 2010 (IPERA)
Charge Card Risk Assessment	Requires the Inspector General to conduct a risk assessment of agency purchase cards, travel cards, fleet cards, and convenience checks. It also requires the Inspector General to submit an annual purchase and travel card audit recommendation status report to the Director of OMB 120 days after the end of each fiscal year.	The Government Charge Card Abuse Prevention Act of 2012
Data Act Review	Requires the Inspector General to submit a report to Congress on the Commission's implementation and use of data standards. The Inspector General must also review a statistically valid sampling of the spending data submitted to USASpending.gov by the Commission and assess it for completeness, timeliness, quality, and accuracy.	The Digital Accountability and Transparency Act of 2014
Cybersecurity Act Report	Requires the Inspectors General of agencies with a computer system that provides access to personally identifiable information to submit each year a report on the topics related to the measures employed by agencies to protect this data to the appropriate committees of jurisdiction in the Senate and the House of Representatives.	The Cybersecurity Act of 2015

# U.S. International Trade Commission

Office of the Inspector General

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## Commission Strategic Goal Reviews

This section will identify the planned audits of the areas that impact the strategic goals, objectives, and program operations of the Commission.

### **Strategic Goal 1: Investigate and Decide: Produce sound, objective, and timely determinations in investigative proceedings.**

#### Background

The Commission is charged with responsible for administering and applying U.S. laws concerning subsidized and dumped imports that injure a domestic industry, surges of fairly traded imports that injure a domestic industry, and imports that infringe a domestic intellectual property right or otherwise unfairly injure a domestic industry. The Commission is required to reach its determinations based on transparent procedures and a well-developed record.

The Commission has identified two strategic objectives associated with this goal: (1) Reliable Process: Conduct expeditious and technically sound investigative proceedings; and (2) Clear Proceedings: Promote transparency and understanding of investigative proceedings.

Some of the strategies the Commission has identified to meet these objectives include reviewing feedback from internal and external stakeholders and analyzing historical data to find opportunities to improve the efficiency of their current processes; ensuring that accurate public information is easily accessible as soon as practicable; and leveraging technology to improve the flow of information.

#### **Strategic Objective 1.1: Reliable Process: Conduct expeditious and technically sound investigative proceedings.**

- No audits planned in FY2017

#### **Strategic Objective 1.2: Clear Proceedings: Promote transparency and understanding of the investigative proceedings.**

Audit Objective 1: Determine if the Commission collects and analyzes response rates from questionnaires for its investigations.

Criteria: The Commission's investigations should be based on data that is representative of the population under review.

# U.S. International Trade Commission

Office of the Inspector General

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Benefit: Provide reasonable assurance that Commission determinations are based on a representative sample of the population and identify any trends in response rates over time.

Scope: Review the number of questionnaires distributed versus the number of responses received over time by investigation type.

Audit Objective 2: Determine if the Commission's process for providing accessible information on its website is efficient.

Criteria: USITC performance goals 85% of information is posted to the website within 48 hours and 90% within 72 hours of issuance.

Benefit: Determine if the Commission is providing timely delivery and accessibility of information to the public.

Scope: Review the process for providing documents for making information available in EDIS and the Commission websites. Review timeframe from issuance, to posting request, to actual availability of data.

Audit Objective 3: Determine if the Commission has a process to validate the accuracy of data entered into the case management database.

Criteria: GAO Greenbook reliability of reporting for internal and external use.

Benefit(s): To provide reasonable assurance of the integrity of the data being used for internal and external communication and decision-making purposes.

Scope: Review the process and procedures for entering and validating data in the database. Identify and test the internal controls for validating data to ensure they are working properly.

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# U.S. International Trade Commission

Office of the Inspector General

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## **Strategic Goal 2: Inform: Produce objective, high-quality, and responsive tariff, trade, and competitiveness-related analysis and information.**

### Background

The Commission has numerous statutory responsibilities to provide advice, analysis, data, and reports to the President, Congress, and USTR. Responding to new issues in international trade and industry competitiveness requires long-term planning, thoughtful investment, and effective employee development, recruitment, and retention methods.

The Commission has identified two strategic objectives associated with this goal: (1) deliver timely and accessible analysis and information; (2) produce high-quality analysis and information and strategic insights to support the development of the U.S. trade agenda.

Some of the strategies the Commission uses to meet these objectives include developing IT solutions to improve the availability and functionality of Commission products; engaging in regular communications with customers to gain understanding of their needs; evaluating its economic and analytical capabilities; and investing in human capital to maintain and develop technical expertise.

### **Strategic Objective 2.1: Inform: Produce objective, high-quality, and responsive tariff, trade, and competitiveness-related analysis and information.**

Audit Objective 4: Determine if the Commission followed a standardized process for processing Miscellaneous Tariff Bills.

Criteria: GAO Greenbook, Management should design control activities to achieve objectives and respond to risks.

Benefit(s): To ensure consistency of processing miscellaneous tariff bills for credibility of results.

Scope: Review results of fiscal year 2017 Miscellaneous Tariff Bill processing against the standard operating procedures.

# U.S. International Trade Commission

Office of the Inspector General

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Audit Objective 5: Determine if the Commission's policies and procedures address its role and responsibilities as a member of the 484(f) Committee.

Criteria: Tariff Act of 1930, as amended

Benefit(s): Provide ensure the Commission has designed an appropriate system of internal control to meet its responsibilities under Section 484(f) of the Tariff Act.

Scope: Compare the requirements of Section 484(f) of the Tariff Act to the internal policies and procedures.

**Strategic Objective 2.2: Effective: Produce high-quality analysis and information and strategic insights to support the development of the U.S. trade agenda.**

- No audits planned in FY2017
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## Management Goals and Objectives

The Commission has established a management goal to achieve agency-wide efficiency and effectiveness to advance agency mission. There are three management objectives and two cross-cutting objectives to support the management goal.

**Management Objective M1.1: People: Efficiently and effectively recruit and develop highly qualified and flexible human capital.**

- The Office of Personnel Management has historically performed reviews of the Commission's human resource functions. No specific audits are planned in FY2017, however the Inspector General may perform a review if appropriate.

**Management Objective M1.2: Money: Provide good stewardship of taxpayer funds.**

Audit Objective 6: Determine if the Commission follows a standard process to reconcile transaction level data entered into the procurement system.

Criteria: GAO Greenbook reliability of reporting for internal and external use.

Benefit: To ensure that the source data being entered into the system is accurate so that reliable data can be extracted for internal reporting.

# U.S. International Trade Commission

Office of the Inspector General

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Scope: Review accuracy of source documents and then reconcile the source documents to the information entered in the procurement system.

Audit Objective 7: Determine if the Commission's process for reviewing and approving IPAC payments is effective.

Criteria: Federal Intragovernmental Transactions Process (Treasury); Business Rules for Intragovernmental Transactions (OMB), and Financial Management Manual

Benefit(s): To understand whether the IPAC process is working properly and to ensure that the Commission has a procedure in place to properly approve invoices, reconcile payments, and resolve differences.

Scope: Review internal procedures for processing IPAC payments; review IPAC invoices, supporting documentation, and financial reports for a period of at least 12 months.

**Management Objective M1.3: Technology: Deliver high-performing and secure networks and services.**

Audit Objective 8: Does the ITC use its hardware inventory to manage its network?

Criteria: Know the devices on your network.

Benefit: Knowledge of devices on the network increases security, decreases the time needed to understand where equipment is located, and identifies the owner of the devices so every device is accounted for and is easily attributed to relevant staff and roles.

Scope: Assess USITC knowledge of its inventory of authorized and unauthorized devices.

Audit Objective 9: Does the ITC use its software inventory to manage its network?

Criteria: Know the software on your network.

Benefit: Unknown, and therefore unmanaged software poses risks to the Commission, whether through malware, licensing, or compatibility and support implications. Maintaining and controlling an authorized software inventory minimizes these risks.

# U.S. International Trade Commission

Office of the Inspector General

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Scope: Assess USITC knowledge of its inventory of authorized and unauthorized software.

Audit Objective 10: Is the Commission's process for configuring ITCNet systems effective?

Criteria: Configure systems securely by default.

Benefit: Deploying non-secured systems increases the risk to the Commission's network. All new systems should remain quarantined from the network until they have had a clean vulnerability scan and been authorized for deployment to the network.

Scope: Assess USITC configuration procedures and compare them to vulnerability scanning results for new system deployment.

Audit Objective 11: Is the Commission's process for patching ITCNet systems effective?

Criteria: Monitor and patch continuously.

Benefit: System security becomes outdated quickly, so continuous assessment and remediation is the only means to maintain the security of the network.

Scope: Assess Commission network vulnerability status, using multiple datapoints from different times, and judge these against the Commission's target of two high-severity vulnerabilities per host.

**Cross-cutting Objective C.1: Use feedback to improve agency operations and enhance employee and customer satisfaction.**

Audit Objective 12: Determine if the Commission has a sound methodology to identify anomalies and recognize trends from the Federal Employee Viewpoint Survey results.

Criteria: Management should analyze survey results to understand employees' perceptions of certain human resource conditions in order to determine the if any actionable response is necessary to improve the organization.

Benefit: The Commission has the appropriate information to inform human resources decisions, policies, and initiatives.

Scope: Review three years of survey results; internal methodology for analyzing the survey results, and any other internal action plans, or other available documentation.

# U.S. International Trade Commission

Office of the Inspector General

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## **Cross-cutting Objective C.2: Improve the resources and performance capabilities of Commission managers.**

Audit Objective 13: Determine if the Commission has an effective business continuity of operations plan.

Criteria: Federal Continuity Directive 1 & 2; Federal Preparedness Circular 65.

Benefit: The Commission has the ability to restore essential functions and services in the event of a contingency.

Scope: Determine if the Commission's Business Continuity of Operations (COOP) Plan has identified and prioritized the essential functions and services for the Commission and has accounted for all the capabilities required to continue to perform these functions in the event of a contingency.

Audit Objective 14: Determine the extent of the Commission's efforts to automate paper processes.

Criteria: The Commission should reduce its dependence on paper processes.

Benefit: Increase efficiency and productivity and enhancing organizational agility and flexibility.

Scope: Inventory of manual processes, actual processes automated over the past 3 years, any other internal planning documents.

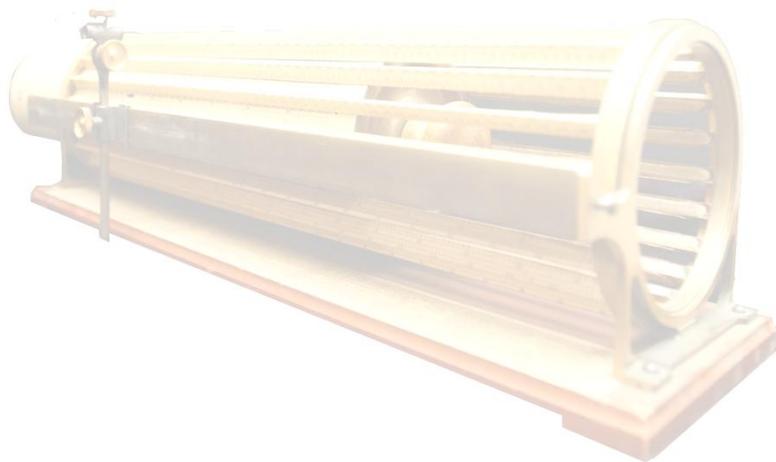
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# U.S. International Trade Commission

Office of the Inspector General

**Table 1: OIG FY 2017 Annual Audit List**

	Operational Area	Proposed Objective
1	CFO	Render an opinion on the Commission's financial statement.
2	CIO	Assess the extent to which the Commission complies with information security program requirements.
3	Commission	Identify the most significant management and performance challenges for the Commission.
4	CFO	Determine if the Commission complies with the Improper Payments Elimination Act.
5	CFO	Assess the Commission's risk of charge card abuse and report on any outstanding recommendations related to purchase, travel, and fleet cards.
6	CFO	Determine the Commission's progress in meeting the reporting requirements of the Data Act.
7	CIO	Report on how the Commission protects personally identifiable information.
	Operations	Determine if the Commission collects and analyzes response rates from questionnaires for its investigations.
8	Operations	Determine if the Commission's process for providing accessible information on its website is efficient.
9	Operations	Determine if the Commission has a process to validate the accuracy of data entered into the case management database.
10	Operations	Determine if the Commission followed a standardized process for processing Miscellaneous Tariff Bills.
11	Operations	Determine if the Commission's policies and procedures address its role and responsibilities as a member of the 484(f) Committee.
12	CFO	Determine if the Commission follows a standard process to reconcile transaction level data entered into the procurement system.
13	IPAC	Determine if the Commission's process for reviewing and approving IPAC payments is effective.
14	CIO	Determine if the Commission uses its hardware inventory to manage its network.
15	CIO	Determine if the Commission uses its software inventory to manage its network.
16	CIO	Determine if the Commission's process for configuring ITCNet systems effective.
17	CIO	Determine if the Commission's process for patching ITCNet systems effective.
18	Administrative	Determine if the Commission has a sound methodology to identify anomalies and recognize trends from the Federal Employee Viewpoint Survey results.
19	CIO/OSSS	Determine if the Commission has an effective business continuity of operations plan.
20	Commission	Determine the extent of the Commission's efforts to automate paper processes



*“Thacher’s Calculating Instrument” developed by Edwin Thacher in the late 1870s. It is a cylindrical, rotating slide rule able to quickly perform complex mathematical calculations involving roots and powers quickly. The instrument was used by architects, engineers, and actuaries as a measuring device.*

# To Promote and Preserve the Efficiency, Effectiveness, and Integrity of the U.S. International Trade Commission



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