

U.S. International Trade Commission

Inspector General Fiscal Year 2023 Annual Audit Plan



October 6, 2022



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.

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Introduction

This annual plan outlines the anticipated reviews to be performed by the Office of Inspector General (OIG) in Fiscal Year (FY) 2023. The annual plan is generally based on the OIG's Five-Year Strategic Plan for 2020-2025, issued on August 8, 2019. The OIG's 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 audits and reviews required to be performed by the Office of Inspector General, followed by planned discretionary audits and reviews that address the Commission's strategic objectives. The next section identifies reviews related to the Commission's management objectives. Individual plans within each section provide the proposed objectives, criteria, benefits, 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 discretionary audits and reviews planned for FY 2023 is provided in Table 2.

While this document outlines the OIG's planned audit activities, we recognize that new initiatives, programs, staffing changes, or other concerns may arise. In addition, matters that come to our attention over the year may require adjustments to the objective, priority, or schedule of the reviews identified and the discretionary work we undertake in FY 2023. Table 3 includes a description of the subject areas where the OIG would like to conduct additional, discretionary work in the future, contingent on available staff and funding.

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Mandatory Reviews

The Inspector General performs mandatory audits and reviews required by law, statute, or other authority. The table below identifies the title of the audit or review, a brief description of the requirement, and the authority.

Table 1: Fiscal Year 2023 Mandatory Audits and Reviews

Title	Description	Authority
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 statements are presented fairly in all material aspects; report on internal control, and report on compliance with laws and regulations as they pertain to the financial statements. 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 agency's information security program. The Office of Management and Budget and the Department of Homeland Security dictate the format, contents, and submission requirements annually.	Federal Information Security Modernization Act of 2014 (FISMA)
Management and Performance Challenges	Requires the Inspector General to submit a report to be included in the Annual Financial Report that summarizes what the Inspector General considers the most serious management and performance challenges facing the Commission and assesses 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 complies with the Payment Integrity Improvement Act 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.	Payment Integrity Improvement Act of 2019 (PIIA)
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 status report of purchase and travel card audit recommendations to the Director of OMB 120 days after the end of each fiscal year.	Government Charge Card Abuse Prevention Act of 2012

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Commission Strategic Goal and Objective Reviews

This section describes the planned, discretionary audits and reviews listed in Table 2 related to the strategic and management goals identified in the Commission's Strategic Plan for FY 2022-2026.¹

Strategic Goal 1: Investigate: Conduct Reliable and Thorough Investigations

The Commission is responsible for administering and applying several U.S. trade remedy laws. These laws require the Commission to investigate subsidized and dumped imports that potentially injure a domestic industry, surges of imports that allegedly injure a domestic industry, and imports that allegedly infringe domestic intellectual property rights or are otherwise unfairly imported. In addition, U.S. laws, court decisions, and U.S. international obligations require the Commission to reach its determinations based on transparent procedures and a well-developed record.

Strategic Objective 1.1: Reliable: Conduct expeditious and transparent proceedings

No audits are planned for FY 2023.

Strategic Objective 1.2: Thorough: Engage the public, including stakeholders and experts, and collect all relevant data to inform and support investigations

Proposed Audit Objective 1: Determine if the Commission uses reliable data to measure performance.

Criteria: GAO Greenbook, Principle 13 – Use Quality Information; management obtains relevant data from reliable sources to be used for effective monitoring.

Benefit(s): To ensure that performance results that the Commission relies on to make decisions are based on accurate information.

Scope: Identify performance measure(s) to be reviewed, obtain performance measurement methodology, and review corresponding data.

¹ https://usitc.gov/documents/usitc_strategic_plan_2022-2026.pdf

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Strategic Goal 2: Inform: Develop Sound and Informed Analyses and Determinations

The Commission has numerous statutory responsibilities to provide advice, analysis, data, and other information to Congress, the President, and the U.S. Trade Representative. U.S. industries and policymakers depend on the Commission's ability to have or quickly develop deep expertise on a variety of topics. These topics include complex industry structures and competitiveness; technology and intellectual property; and a broad range of trade policy-related issues such as the expansion of international trading relationships and agreements, the evolution of supply chains within and across borders, and the multifaceted impact trade has on issues and economic factors such as employment, wages, and the environment. To meet their need for sound and informed analysis and determinations, the Commission identifies innovative approaches to understanding the wide-ranging issues and applies objective methods and approaches to data collection and analysis.

The Commission provides its stakeholders with objective, independent analysis on numerous topics through both formal investigations and informal expert assistance. Under its statutory mandate, the Commission publishes and maintains the Harmonized Tariff Schedule of the United States, which serves as the legal basis for collecting customs duties and compiling trade data. The Commission also developed a new intake system to support miscellaneous tariff bill petitions. This work is vital to businesses, government agencies, and others who rely on accurate, current, and useful trade data.

Strategic Objective 2.1: Sound: Apply innovative analysis and make objective determinations

Proposed Audit Objective 2: Determine if the Commission's process for updating the Harmonized Tariff Schedule is effective.

Criteria: GAO Green Book, Principle 15 – Communicate Externally; management should externally communicate the necessary quality information to achieve the entity's objectives.

Benefit(s): Provide assurance that updates to the Harmonized Tariff Schedule are completed accurately and on a timely basis.

Scope: Review the latest mandatory updates and corrections to the Harmonized Tariff Schedule.

Strategic Objective 2.2: Informed: Provide clear, relevant, and accurate information in Commission work products

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See **Proposed Audit Objective 1**: Determine if the Commission uses reliable data to measure performance.

Proposed Audit Objective 3: Determine if the Commission is adhering to electronic records management policies, procedures, and requirements.

Criteria: Federal Records Management Act, agency-specific records management schedules, Federal Electronic Records Modernization Initiative, Universal Electronic Records Management.

Benefit: Confirm that the Commission is following the most recent regulations and guidance on electronic records management to preserve and protect agency data.

Scope: Review of the Commission's records management policies, practices, and the implementation of federal guidance on electronic records management.

Strategic Goal 3: Perform: Execute and Advance Organizational Excellence

Effective and efficient management increases the Commission's ability to meet its mission and better leverage all of its assets to achieve its strategic goals. Each year the Commission's Annual Performance Plan addresses the major management challenges identified by the OIG. The Commission is working on continuous process improvements and establishing enhanced support systems to achieve its strategic goals and mission. In addition to mission and statutory requirements, the Commission is executing human resource management; budget, acquisitions, and finance; information technology; data governance; and operational effectiveness. Goal 3 promotes collaboration and shared responsibility for success.

Strategic Objective 3.1: People: Attract, develop, and retain a skilled, diverse, and versatile workforce

No audits are planned for FY 2023.

Strategic Objective 3.2: Money: Ensure good stewardship of taxpayer funds

No discretionary audits are planned for FY 2023. See Table 1 for a list of mandatory audits and reviews.

Strategic Objective 3.3: Technology: Implement reliable and secure systems that promote resilience, innovation, and efficiency

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Proposed Audit Objective 4: Determine if the Commission is effectively managing administrative privileges for their systems.

Criteria: GAO Greenbook, Principle 11 – Design Activities for the Information System; management designs control activities for security management of the entity’s information system.

Benefit: Reduce the risk of security threats associated with administrative accounts that could compromise the Commission’s network.

Scope: Analyze the Commission’s privileged accounts.

Proposed Audit Objective 5: Determine if the Commission effectively manages access to critical assets.

Criteria: GAO Greenbook, Principle 11 – Design Activities for the Information System; management designs control activities for security management of the entity’s information system.

Benefit: The more individuals who have access to sensitive information, the greater the need to reduce the risk of data exposure and loss.

Scope: Assess critical assets to the Commission on how they track, control, prevent and secure access to these assets.

Strategic Objective 3.4: Data: Manage and leverage data as an asset

See Proposed Audit Objective 1: Determine if the Commission uses reliable data to measure performance.

Strategic Objective 3.5: Ongoing Operational Improvements: Evaluate and improve processes and communications

Proposed Audit Objective 6: Determine if the Commission’s incident response plans and procedures are effective.

Criteria: GAO Greenbook, Principle 11 – Design Activities for the Information System; management designs control activities for security management of the entity’s information system.

Benefit: Effective incident response plans reduce the response time to recover from a cybersecurity incident.

Scope: Assess the Commission’s incident response plan.

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Table 2: Fiscal Year 2023 Mandatory and Discretionary Audits and Reviews

Mandatory Reviews		
	Operational Area	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 Payment Integrity Improvement Act of 2019.
5	CFO	Assess the Commission’s risk of charge card abuse and report any outstanding recommendations related to the purchase, travel, and fleet cards.
6	Peer Review of Federal Election Commission OIG	<i>Government Auditing Standards</i> require audit organizations that perform audits or attestation engagements to undergo an external peer review every three years. The U.S. International Trade Commission OIG is scheduled to conduct the Federal Election Commission OIG’s external peer review starting on October 1, 2022. The review will cover the system of quality control for the audit organization.
Ongoing Reviews		
	Operational Area	Objective
1	CAO	Determine if the Commission has established sufficient controls to effectively offboard personnel.
Planned Discretionary Reviews		
	Operational Area	Proposed Objective
1	OPS	Determine if the Commission uses reliable data to measure performance.
2	OPS	Determine if the Commission’s process for updating the Harmonized Tariff Schedule is effective.
3	CAO	Determine if the Commission is adhering to records management policies, procedures, and requirements.
4	CIO	Determine if the Commission is effectively managing administrative privileges for its systems.
5	CIO	Determine if the Commission is effectively managing access to critical assets.

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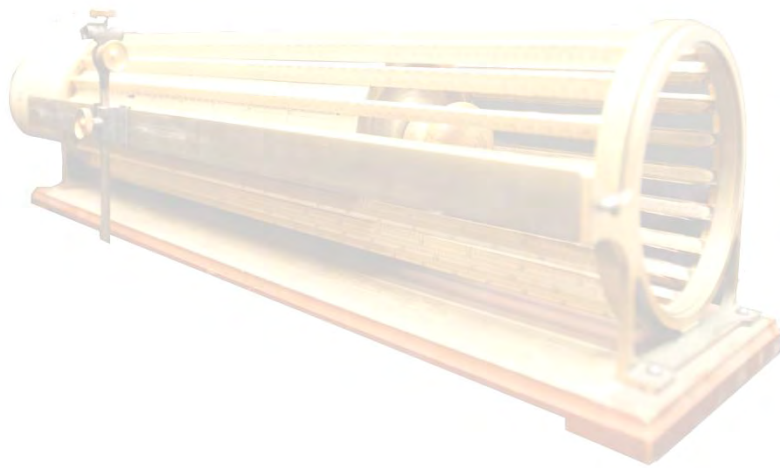
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6	CIO	Determine if the Commission’s incident response plans and procedures are effective.
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The following section, Table 3, describes the areas where the OIG would like to conduct discretionary work in the future, contingent on available staff and funding. The general scope of work would include looking at the efficiency or effectiveness of internal controls or compliance with legislative or regulatory requirements.

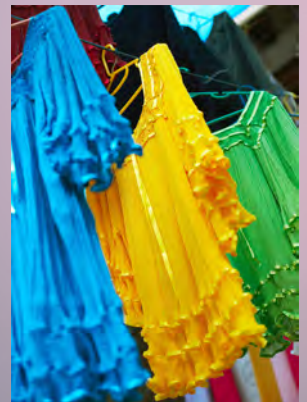
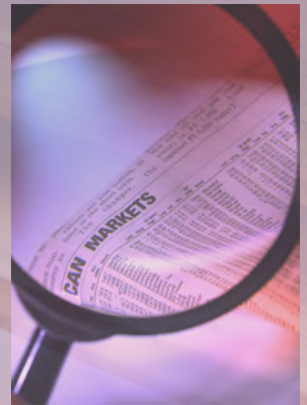
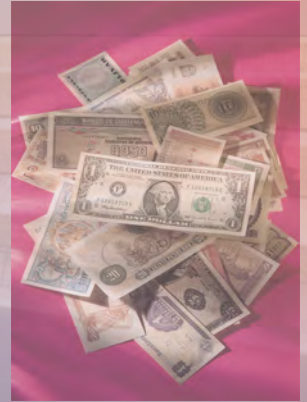
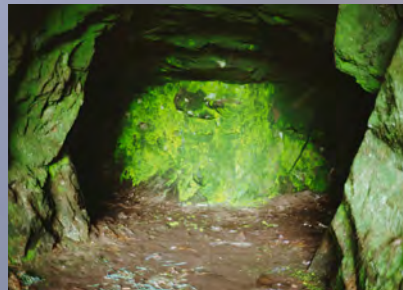
Table 3: Fiscal Year 2023 Reserve Audits and Reviews

Reserve Reviews		
	Operational Area	Topic
1	OPS	332 General Fact-Finding Investigations
2	OPS	Title VII Antidumping (AD) & Countervailing Duties (CVD) Investigations
3	OPS	Section 337 Unfair Import Investigations
4	OPS	Miscellaneous Tariff Bill
5	OPS	Section 201 Safeguarding Investigations
6	CIO	IT Modernization/ Governance
7	CIO	Federal Data Strategy
8	CAO	Human Capital Management
9	CAO	Performance Management
10	General Counsel	Conflict of Interest
11	CFO	Contract Management
12	Commission	Enterprise Risk Management Program
13	Commission	Recommendations/Recurring Issues
14	Commission	Telework/Remote Work
15	CFO	Budget Process and Execution



“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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