U.S. International Trade Commission

USITC Management and Performance Challenges

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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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UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, DC 20436

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Chairman Broadbent:

This memorandum transmits the Inspector General's summary of the top management and performance challenges facing the Commission and briefly assesses management's progress in addressing these challenges.

I have identified two management and performance challenges for fiscal year 2014; Internal Controls and Using Information Technology to Improve Staff Productivity. These challenges were identified based on work by the Office of Inspector General, input from Commission management, and knowledge of the Commission's programs and operations.

Internal Controls:

The Commission's management is responsible for establishing and maintaining a system of internal controls. These internal controls are the plans, policies, procedures, and organizational environment that managers use to ensure their programs and operations are achieving the intended results through the effective use of public resources.

Documented and consistent policies and procedures are necessary to provide a reasonable level of assurance that offices are operating in an efficient and effective manner. However, the policies and procedures are only effective if they are functioning as intended, monitored, and updated. The Commission has taken steps to document procedures through business process mapping. While this is a step in the right direction, many challenges remain in the areas of on-going monitoring for effectiveness and continual process improvement to gain efficiencies.

The Commission also faces similar challenges in the area of risk assessment. Performing risk assessments is a fundamental element within a system of internal controls that has not been a structured part of the Commission's management activities. The Commission has recently taken steps to begin developing a risk assessment framework, but many challenges remain in educating management on risk identification, prioritization, management, and reporting.

The Commission has recognized the importance of having strong internal controls throughout the agency. The Commission's Internal Control and Risk Management Division has been working one-on-one with office directors and designated representatives to promote awareness of internal controls and facilitate the development of a risk management program. The success of this program is heavily reliant upon senior staff remaining engaged and actively managing the system of internal controls within their area of responsibility.

The Commission has been committed to improving and strengthening the internal control environment. At the same time, the Commission understands that the effort must engage leaders broadly, ensure buy-in across programmatic and administrative offices and be sustained over a long period of time in order to achieve a mature and effective internal control program. The Commission will be challenged to manage and drive the cultural changes associated with the development and implementation of an effective organizational internal control program.

Using Information Technology to Improve Staff Productivity:

Information Technology should enable the Commission's knowledge workers to operate more effectively and efficiently. This requires two foundational characteristics: 1) a secure, stable information technology platform and 2) an environment receptive to change and automation.

The Commission faces challenges providing and managing a secure and stable network environment. Over the past year the Office of Inspector General has reported that the four basic critical controls over network security are not in place at the Commission. These four controls are: 1) inventory of hardware, 2) inventory of software, 3) secure configurations, and 4) continuously assess and patch systems. Full implementation of the four controls will result in a stable and secure network that enables productivity.

The Commission developed an aggressive action plan to implement these controls. While the plan addresses all four controls, significant progress has been realized for two of the controls through the implementation of whitelisting and rapid patching. The Commission implemented whitelisting for its workstations and remote access systems—making these systems much more secure—and enabling the Commission to better manage its software inventory. The Commission has also significantly decreased the time it takes the Commission to apply the patches to its systems.

Information technology should be seen as a supporting, fundamental resource, and not as an entity unto itself. Until this concept is embraced, Commission staff will continue to be frustrated and look for ways to be productive despite the technology of the Commission. If the Commission can improve the flexibility, reliability, and performance of its technology, Commission staff will use it to transform the way they work, resulting in a better, more efficient work product.

The Commission faces many challenges implementing information technology solutions to improve staff productivity. To improve productivity, the Commission should prioritize the appropriate skills and resources in the right areas to ensure that both basic and enhanced services

work well and contribute to a stable, consistent environment to effectively serve its staff regardless of their location or the status of the primary data center.

The Commission has identified and begun to implement business systems that will automate and improve the effectiveness of the Commission's operations. These new systems include collecting electronic data for some Title VII investigations, consolidating different databases of 337 data, and modernizing the Harmonized Tariff Schedule business processes and information systems. Taking advantage of automation will improve the integrity, effectiveness, and efficiency of all the Commission's work.

I will continue to work with you, the other Commissioners, and management to reassess our goals and objectives to ensure that my focus remains on the risks and priorities of the Commission.

Philip M. Heneghan
Inspector General

"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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