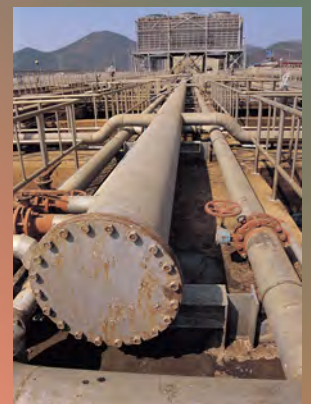


# U.S. International Trade Commission

## Management Report: FY 2023 Charge Card Risk Assessment Report



OIG-MR-23-04

January 30, 2023



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

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WASHINGTON, DC 20436

January 30, 2023

OIG-VV-002  
OIG-MR-23-04

Chairman Johanson:

This memorandum provides the results of the Office of Inspector General's risk assessment of the U.S. International Trade Commission's (Commission) charge card program, as required by the *Government Charge Card Abuse Prevention Act of 2012* (Charge Card Act), P.L. No. 112-194. The Charge Card Act, as implemented by the Office of Management and Budget (OMB) Circular A-123, Appendix B, requires OIGs to use annual periodic risk assessments to determine the necessary scope, frequency, and number of OIG audits or reviews of agency charge card programs. It also requires Federal agencies to establish and maintain safeguards and internal controls for purchase cards, convenience checks, travel cards, and integrated cards. OIGs must report the results of their analyses to the agency head and the Office of Management and Budget by January 31 of each calendar year.

In assessing the risk of the purchase, travel, and fleet services card transactions in Fiscal Year (FY) 2022, we considered the size of the Commission, the small number of active purchase cardholders, the low dollar amount of purchases, the controls in place to prevent cardholders from exceeding the single purchase card limits, monthly purchase card limits, and spending patterns.

Our risk assessment for FY 2022 included a review of the Commission's internal controls for the credit card programs against the requirements identified in OMB M-13-02. We obtained and

reviewed documentation, including FY 2022 charge card transaction reports, internal monthly and quarterly reviews, the Commission's Purchase Card Handbook, the Office of Internal Control and Risk Management's performance review of the purchase and travel card programs, and supporting documentation for the fleet services card and program usage. We confirmed that the Office of the Chief Financial Officer held a training course for purchase cardholders, approving officials, and those with program oversight in May 2022 to address the OIG's recommendation from last year's risk assessment, [OIG-MR-22-07](#).

We determined that the overall risk of illegal, improper, or erroneous charge card transactions was low. As a result, we are not planning to conduct additional reviews of the Commission's charge card programs in FY 2023. However, we do note that regardless of the low amount spent on these programs at the Commission, Federal agencies have faced embarrassment and reputational damage over misuse of credit cards, especially where there is an abuse of position regardless of dollar impact. Therefore, it is important that controls for the Commission's credit card programs are in place and operational to monitor adherence to policies and applicable Federal standards and guidance.

During our review, we identified areas in the Commission's purchase, travel, and fleet services card programs where controls need to be added or strengthened to ensure:

- oversight and monitoring follow a risk-based approach
- required and proper procedures are followed
- greater transparency over spending

In the Purchase Card Program, we observed that the Commission's highest spending (45 percent of total expenditure) and the largest number of purchase card transactions (39 percent of total transactions) occurred in the fourth quarter of FY 2022, as it has in the past several years. The Office of Internal Control and Risk Management (ICRM) selected the third quarter of FY 2022 for its review of purchase card spending. Yet, the fourth quarter activity carries a significantly higher risk based on the volume and aggregate value of transactions at the end of the fiscal year period.

In the Travel Card Program, the Travel Officer's records showed that twelve travel card holders had not completed the required online refresher travel cardholder training. OMB Circular A-123 Appendix B requires each agency to provide training to all account holders and account

managers. As described in the Commission's Charge Card Management Plan, travel charge card program participants receive training prior to appointment or issuance of a card and are required to take the online refresher training every three years.

For travel cardholders that did not complete the online refresher training, the Commission's Travel Officer reduced the travel card spending limit to one dollar for some but not all cardholders. The Chief Financial Officer has, in the past, granted waivers to exempt personnel from the training requirements. However, the Commission does not have a formal process or policy governing such exceptions, nor did we find an analysis or assessment that included the criteria for reducing travel card spending limits or waiving the training requirements.

In the Commission's General Services Administration (GSA) Fleet Services Card Program, the OIG's request for spending documentation was delayed because the Fleet Manager had neither obtained nor uploaded to the office's shared folders the monthly statements and supporting documentation. The Fleet Manager's acting supervisor was not aware of the details regarding the individual's fleet-related responsibilities and told the OIG that the duties and accomplishments for the GSA Fleet Services Card Program were not included in the Fleet Manager's performance plan. The Commission's Charge Card Management Plan identifies a Fleet Services Card Coordinator. However, according to the Fleet Manager, no other individual within the Commission has electronic access to the GSA Fleet Services Card invoices.

No summary information or calculation of the Commission's total spending or fleet usage by fiscal year was available, and there was not a process in place to gather those details. At our request, the Fleet Manager calculated the total amount spent on the fleet services card in FY 2022 and provided supporting documentation to the OIG. The documentation included handwritten Fleet Trip Record forms, but the forms did not include the business purpose for the trip or destination details beyond the city and state, such as Springfield or Sterling, Virginia.

**We recommend that the Commission:**

- 1. Document ICRM's analysis and the basis and scope for its risk-based review of the Purchase Card Program. Include the quarterly purchase card spending amounts, the quarterly number of purchases, and any additional information used as the basis for the scope of ICRM's annual purchase card review.**
- 2. By June 30, 2023, reduce the spending limits or close the travel cards for all travel card holders who still need to complete the training required every three years to remain a cardholder.**
- 3. Review the guidance and standard operating procedures for managing the Travel Card Program and make updates as needed, including the addition of written procedures for addressing expired training.**
- 4. Reevaluate and strengthen, as needed, internal controls over the Commission's GSA Fleet Services Card Program to ensure the adequate management and supervision of the program:**
  - a. Review and update the annual performance plans of employees involved in the Commission's GSA Fleet Services Card Program, such as the Fleet Manager and Fleet Card Program Coordinator and any others involved in the program, to include fleet card and fleet management-related duties and expectations.**
  - b. Identify and train another individual who can serve as a backup in the absence of the Fleet Manager and provide basic management to include accessing information in the GSA Fleet Card Management System.**
  - c. Establish procedures and a frequency for obtaining, reviewing, and storing invoices and any related receipts or documentation for the Commission's GSA Fleet Services Card Program in a shared folder that is backed up.**
  - d. For each entry on the Fleet Trip Record form, document the business purpose and destination details, including the street address, if applicable.**
  - e. At the end of each fiscal year, prepare a summary overview of the Commission's GSA Fleet Services Card Program activity, including the total amount the Commission spent and fleet usage.**

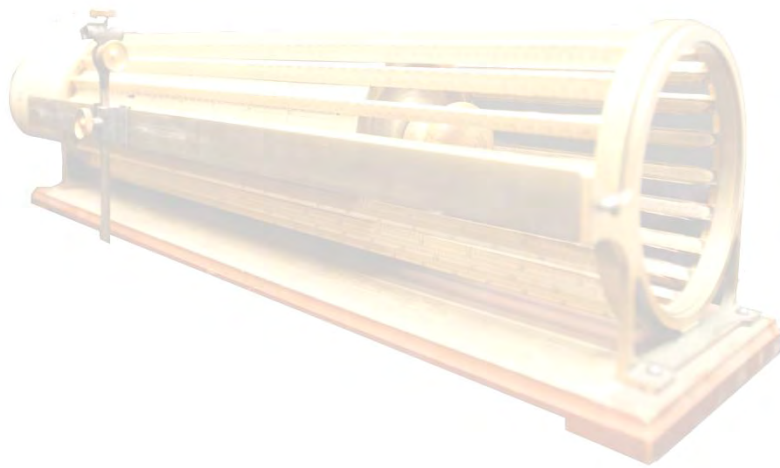
In the next 30 days, please provide me with your management decision describing the specific actions that you will take to implement the recommendations.

Thank you for the cooperation and courtesies extended to my staff during this review.

Sincerely,



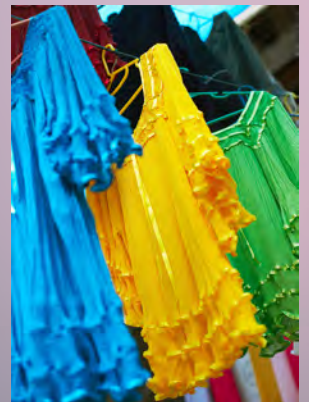
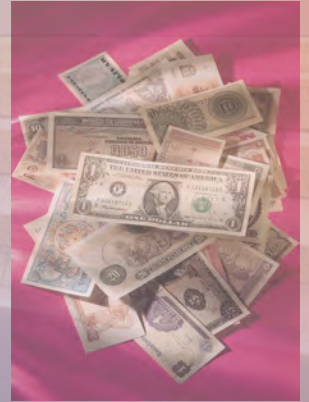
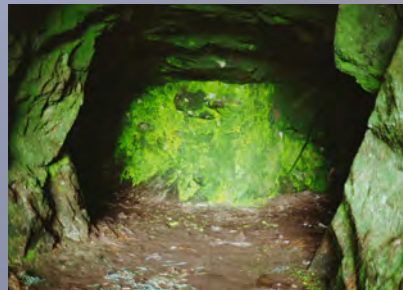
Rashmi Bartlett  
Inspector General



*“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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