

U.S. International Trade Commission

Management Report: FY 2022 Charge Card Risk Assessment Report



OIG-MR-22-07

January 28, 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.



UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, DC 20436

January 28, 2022

OIG-UU-001
OIG-MR-22-07

Chair Kearns:

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 IGs 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 to the heads of their agencies and the OMB on the results of their analyses by January 31 of each calendar year.

This is our ninth risk assessment of the Commission's three types of charge cards. Our risk assessment this year 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 Fiscal Year (FY) 2021 charge card transaction reports, internal monthly and quarterly reviews, the Commission's Purchase Card Handbook, and supporting documentation for a sample of 23 purchase card transactions. In assessing the risk of the purchase card transactions, we considered the small number of active purchase cardholders, the low dollar amount of purchases, and the controls in place to prevent cardholders from exceeding the single purchase card limits and monthly purchase card limits.

We determined that the overall risk of illegal, improper, or erroneous charge card transactions was low. As a result of this assessment, we do not intend to perform any additional reviews of the Commission's charge card program in FY 2022.

We identified areas where the Commission can strengthen internal controls over its purchase card program during our review, including:

- Communication with approving officials about problems or deficiencies in purchase card transactions, including recurring issues.
- Consistent use, interpretation, and guidance on the:

- Federal Acquisition Requirements for designated and required sources of supplies and services;
- documentation of a fair and reasonable price determination; and
- documentation of the authorized approving official's review of purchase card transactions.

We will provide additional information on the internal control areas noted above and any issues regarding specific purchase card transactions to the Purchase Card Program Coordinator and Director of Procurement for resolution.

Since the Commission's last training session on policies and procedures for the purchase card program was held in 2017, the Commission has revised the Purchase Card Handbook and updated policies, procedures, and the Charge Card Management Plan.

We recommend that the Commission:

1. **Provide additional guidance and conduct or obtain training before the end of FY 2022 for purchase cardholders, approving officials, and those with program oversight responsibilities which covers the:**
 - a. **Commission's Purchase Card Handbook;**
 - b. **program requirements;**
 - c. **procedures for identifying and mitigating program risks; and**
 - d. **best practices to resolve reoccurring issues identified in the Commission's monthly and quarterly reviews.**

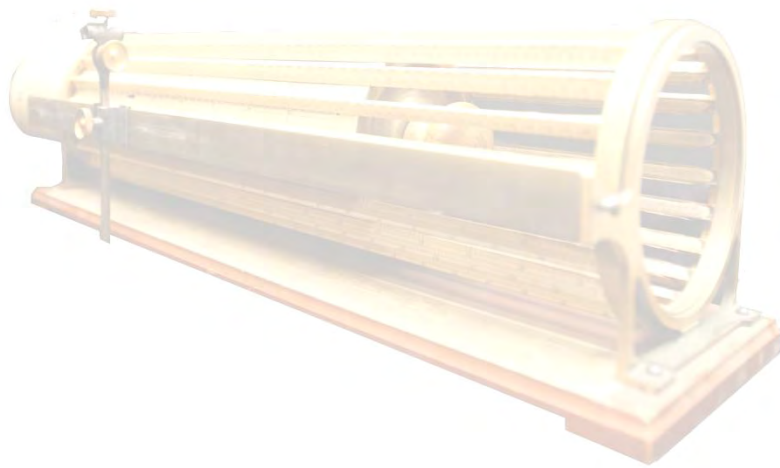
In the next 30 days, please provide me with your management decision describing the specific actions that you will take to implement the recommendation.

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

Sincerely,

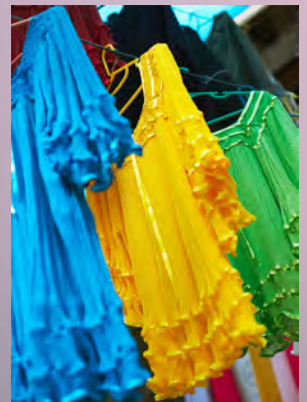
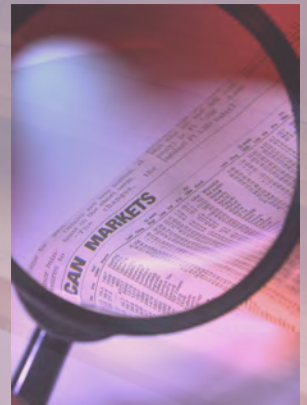
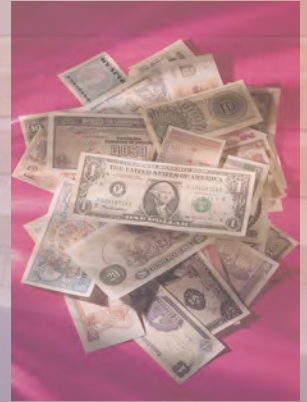
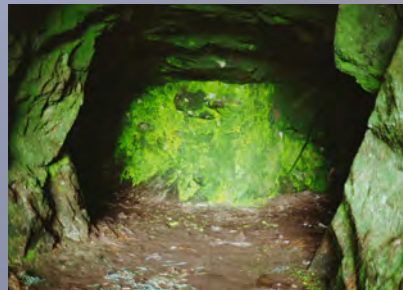
A handwritten signature in black ink that reads "Rashmi Bartlett". The signature is written in a cursive, flowing style.

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



U.S. International Trade Commission
Office of Inspector General
500 E Street, SW
Washington, DC 20436

Office: 202-205-2210
Fax: 202-205-1859
Hotline: 202-205-6542
OIGHotline@USITCOIG.GOV