

# U.S. International Trade Commission

*Report on Internal Control Fiscal Year 2021*



OIG-AR-22-04

November 15, 2021



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.*

OFFICE OF INSPECTOR GENERAL



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## UNITED STATES INTERNATIONAL TRADE COMMISSION

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WASHINGTON, DC 20436

November 15, 2021

IG-TT-017

Commissioners:

This memorandum transmits the Independent Auditor's Report on Internal Control (OIG-AR-22-04) associated with the audit of the Commission's financial statements for Fiscal Year 2021.

We contracted with the independent certified public accounting firm, Harper, Rains, Knight & Company, P.A., to conduct the financial statement audit. The contract required that the audit be conducted in accordance with U.S. generally accepted government auditing standards and these auditing standards require a report on Internal Control to be produced as part of the audit.

Throughout the audit and at its conclusion, my office followed procedures and conducted a final review that included monitoring the performance of the audit, reviewing Harper, Rains, Knight & Company's report, related documentation, and making inquiries of its representatives. Our final review disclosed no instances where Harper, Rains, Knight & Company did not comply, in all material respects, with the U.S. generally accepted government auditing standards; however, this final review cannot be construed as an audit, and is not intended to enable us to express, and we do not express, any opinion on the Commission's internal control. Harper, Rains, Knight & Company is solely responsible for this report dated November 10, 2021, and the conclusions expressed in the report.

Thank you for the courtesies extended to the auditors and my staff during this audit.

Sincerely,

Rashmi Bartlett  
Inspector General



**Independent Auditors' Report on Internal Control over Financial Reporting Based on an  
Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Inspector General  
U.S. International Trade Commission

We have audited the accompanying financial statements of the U.S. International Trade Commission (USITC), which comprise the balance sheet as of September 30, 2021, and the related statements of net cost, changes in net position, and budgetary resources, for the fiscal year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 10, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin 21-04, *Audit Requirements for Federal Financial Statements*.

***Internal Control over Financial Reporting***

In planning and performing our audit of USITC's financial statements as of and for the year ended September 30, 2021, in accordance with U.S. generally accepted government auditing standards and OMB Bulletin 21-04, *Audit Requirements for Federal Financial Statements*, we considered USITC's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of USITC's internal control over financial reporting. Accordingly, we do not express an opinion on USITC's internal control over financial reporting. We did not consider all internal controls relevant to operating objectives as broadly established by the Federal Managers' Financial Integrity Act of 1982, such as those controls relevant to preparing performance information and ensuring efficient operations.

We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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***Internal Control over Financial Reporting (continued)***

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We noted less significant matters involving internal control and its operations which we have reported to USITC management in a separate letter dated November 10, 2021.

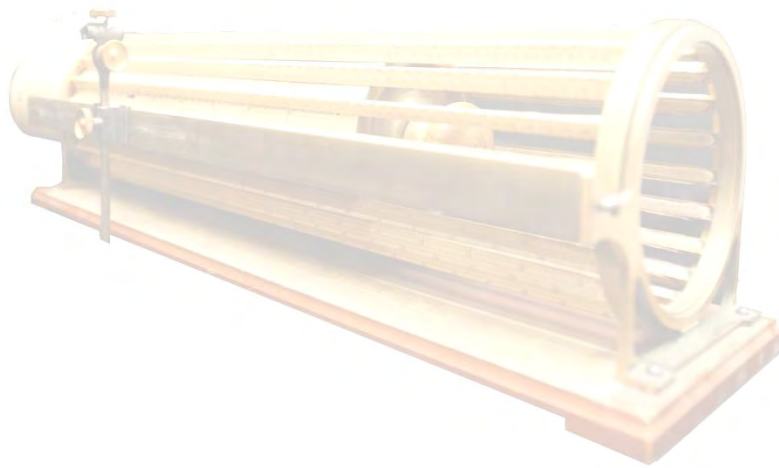
***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and the result of that testing, and not to provide an opinion on the effectiveness of USITC's internal control. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering USITC's internal control. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the management and the USITC Office of Inspector General, OMB, the Government Accountability Office, and Congress, and is not intended to be and should not be used by anyone other than these specified parties.

*Harper, Rams, Knight & Company, P.A.*

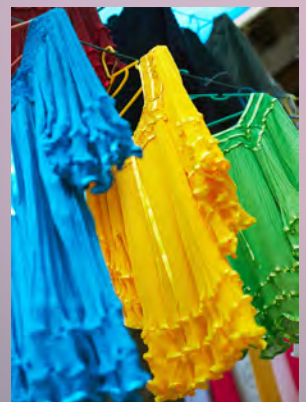
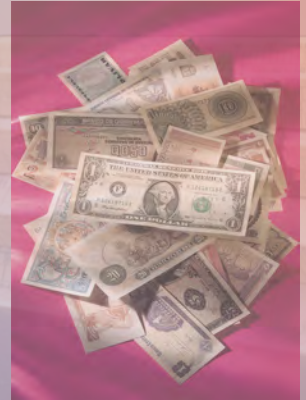
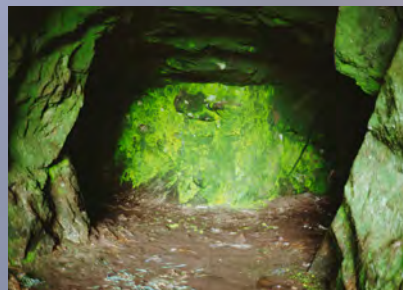
November 10, 2021  
Washington, DC



*“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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