

U.S. International Trade Commission

Management Report: Improper Payment Determination for Fiscal Year 2021



OIG-MR-22-08

April 26, 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

April 26, 2022

IG-UU-005
OIG-MR-22-08

Chair Kearns:

This transmits the Inspector General's report on the U.S. International Trade Commission's (Commission) compliance with the Payment Integrity Improvement Act of 2019 (PIIA) (Public Law 116-117). We conducted this review based on the requirements in the Office of Management and Budget (OMB) Circular A-123, Appendix C (M-21-19), OMB Circular A-136, OMB Annual Data Call Instructions (on the max.gov improper payment page), OMB Payment Integrity Question and Answer Platform, and guidance issued by the Council of Inspectors General on Integrity and Efficiency.

We determined that the Commission complied with applicable PIIA requirements for Fiscal Year 2021 (FY 21), as shown in Table 1 below.

Table 1: Compliance with FY 21 PIIA Requirements

PIIA Requirements	U.S. International Trade Commission
Published payment integrity information with the annual financial statement	✓
Posted the annual financial statement and accompanying materials on the agency website	✓
Conducted Improper Payment (IP) risk assessments for each program with annual outlays greater than \$10,000,000 at least once in the last three years	✓

Adequately concluded whether the program is likely to make IPs and Unknown Payments (UP) above or below the statutory threshold	✓
Published IP and UP estimates for programs susceptible to significant IPs in the accompanying materials to the annual financial statement	N/A
Published corrective action plans for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement	N/A
Published IP and UP reduction target for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement	N/A
Has demonstrated improvements to payment integrity or reached a tolerable IP and UP rate	N/A
Has developed a plan to meet the IP and UP reduction target	N/A
Reported an IP and UP estimate of less than 10% for each program for which an estimate was published in the accompanying materials to the annual financial statement	N/A

Source: U.S. International Trade Commission Office of Inspector General, based on Commission data

We made this determination based on our analysis of the improper payment documentation provided and testing performed by the Office of the Chief Financial Officer and the Internal Control and Risk Management Division.

The Commission's most recent risk assessment for FY 21 did not identify any programs or activities susceptible to significant improper payments at or above the reporting threshold. The Chief Financial Officer provided the Office of Inspector General with a memo in March 2022 that described the factors considered and the basis for the conclusion that the Commission's programs are at a low risk for significant improper payments.

OMB Circular A-136 was updated in August 2021. We noted differences in the amount of information on improper payments and payment accuracy included in the financial statements of other federal agencies. OMB confirmed that even though the Commission does not have transactions to report on paymentaccuracy.gov, it should still put a link to the website in the annual financial statements. The Commission will add this content to the Agency Financial Report going forward.

The Office of Inspector General agreed with the Office of the Chief Financial Officer's conclusion that the Commission is at low risk for significant improper payments and that the Commission's programs are below the established thresholds for additional reporting requirements.

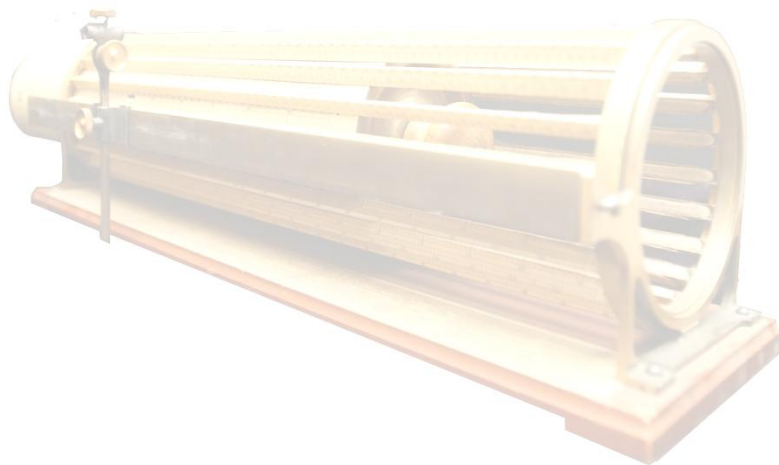
As required, we will be providing a copy of this report to members of the Senate Homeland Security and Governmental Affairs Committee, the House Committee on Oversight and Reform, the Office of Management and Budget, and the Government Accountability Office. The report will also be sent to the House and Senate Committees on Appropriations in accordance with Appendix C of OMB Circular A-123.

We are not issuing any recommendations in this report. If you have any questions, please do not hesitate to contact me.

Sincerely,

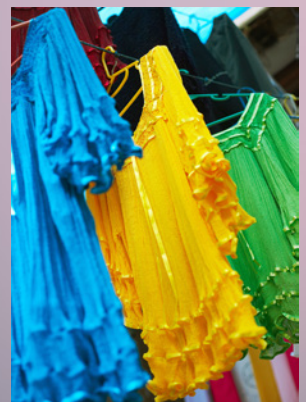
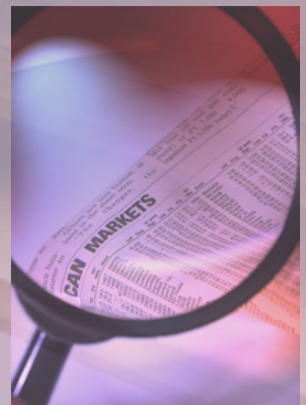
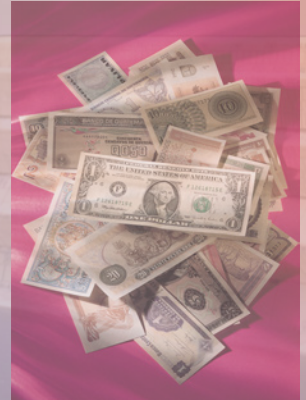
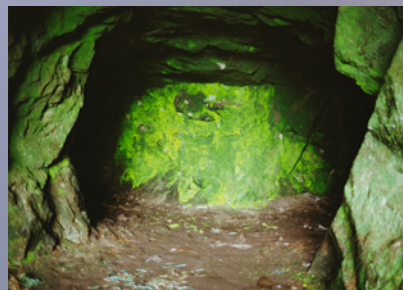
A handwritten signature in blue ink that reads "Rashmi Bartlett". The signature is written in a cursive, flowing style.

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



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