



Highlights of [GAO-11-5](#), a report to the Ranking Member, Committee on Finance, U.S. Senate

## Why GAO Did This Study

Inspectors general (IG) are to provide independent and objective oversight; however, the United States International Trade Commission (USITC) has relied on acting and temporary IGs for an extended period of time. GAO was asked to determine (1) the extent of oversight provided by the USITC IG, (2) the budget and staffing resources available for oversight, and (3) how the role of the IG is addressed in the governance of USITC. To accomplish these objectives, GAO reviewed USITC IG reports and budgets for fiscal years 2005 through 2009, and relevant policies and procedures regarding governance and accountability. GAO also interviewed the USITC Chairman, Commissioners, current and former acting and temporary IGs, and office directors.

## What GAO Recommends

GAO is making a recommendation to the USITC IG to prepare a staffing analysis as part of audit planning to determine the resources needed for effective oversight of USITC. GAO is also making recommendations to the USITC Chairman aimed at clarifying and communicating the authorities and responsibilities of the IG.

In comments on a draft of the report, the USITC Chairman concurred with GAO's recommendations and stated corrective actions had been implemented. GAO agrees that one recommendation was fully implemented; however, additional actions are required to implement the remaining recommendations.

View [GAO-11-5](#) or key components. For more information, contact Susan Ragland at (202) 512-9095 or [raglands@gao.gov](mailto:raglands@gao.gov).

## INSPECTORS GENERAL

### Continued Actions Needed to Strengthen IG Oversight of the United States International Trade Commission

## What GAO Found

The IG Act of 1978, as amended (IG Act), requires IGs to provide independent audits and investigations of the programs, offices, and activities in their respective federal entities. However, during the 5-year period reviewed, the USITC IG office conducted no audits and had no investigative case files or investigative reports of USITC. The IG office's oversight activities consisted primarily of monitoring and reviewing the work of independent public accountants (IPA) who conducted annual mandatory audits of USITC's financial statements and information security programs and practices. The most recent peer review of the USITC IG office's audit quality concluded that an opinion could not be rendered on the audit organization because no audits had been conducted by the IG in the past 5 years.

The IG Act requires the designated federal entity heads to appoint an IG and provide adequate budgetary resources and sufficient staff. Both the lack of an appointed IG and constrained IG office budgets and staffing resources contributed to the limited oversight of USITC. From November 1, 2005, through December 5, 2009, USITC relied on acting IGs and a temporary IG to provide oversight. During this period the IG position was vacant for 17 months with no acting or temporary IG while USITC relied on the Assistant IG for Audits to provide oversight. Between fiscal years 2005 and 2009, the USITC budget increased about 23 percent, but the IG office budget resources remained relatively flat with funds only available for IPA-conducted audits and two staff during the last 4 years reviewed. The lack of comprehensive audit plans by the acting and temporary IGs to fully communicate their resource needs to USITC contributed to inadequate IG office resources and resulted in limited oversight. In fiscal year 2010, USITC appointed a Senior Executive Service-level IG to address requirements of the IG Reform Act of 2008. Also, consistent with the act, USITC provided a fiscal year 2010 IG office budget based on discussions with the current IG, which increased staffing and was certified by the IG as adequate. The IG stated that future oversight may require additional resources, which we believe can be communicated and justified by a staffing analysis as part of IG audit planning.

The IG Act provides each IG with protections of independence including the authority for access to all entity documents and records. In addition, the IG is required to refer cases with potential violations of federal criminal law to the Attorney General. We found instances where the governance structure did not fully support the temporary USITC IG's responsibilities. Specifically, during 2009, the temporary IG was unable to obtain timely access to sensitive contract documents because USITC's policies and procedures did not clearly provide for IG access to such documents. The orientation book for the Commissioners, who may not have prior federal service, does not contain information about the USITC IG's authorities and responsibilities. In another instance, due to the lack of a formal policy or other agreement with the IG office, the Chairman referred the results of a possible criminal investigation to the Department of Justice (DOJ) without coordinating with the temporary IG, resulting in the potential for duplication of investigative efforts.