

U.S. Commodity Futures Trading Commission

January 2024

**Office of Inspector General**

**Annual Work Plan**

**Fiscal Year 2024**



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## A Message from the Acting Inspector General

I am pleased to present the Commodity Futures Trading Commission (CFTC) Office of the Inspector General (OIG) fiscal year (FY) 2024 annual work plan. The plan describes work performed at all times in accordance with established standards, and designed to assist the economy, efficiency, and effectiveness of CFTC's programs and operations, while also preventing and detecting fraud, waste, and abuse. The audit and evaluation work shows our ongoing work from FY 2023, as well as mandatory and discretionary work to begin in FY 2024.



The investigative priorities describe areas we are monitoring to ensure integrity in CFTC programs and operations. We reached out to CFTC and other stakeholders to gain insights on work that will further ensure integrity in agency programs and operations. As we move forward, we will adjust this work plan as necessary to ensure our attention focuses on the highest risks facing CFTC, and to respond to emerging issues that warrant our attention. This work plan is aspirational and we may not get to every engagement. What we can guarantee for FY 2024 is hard work by dedicated staff that improves agency programs, completed in accordance with standards, with all allegations addressed in a timely and professional manner.

As the nation's derivatives markets regulator, CFTC fosters markets that facilitate efficient risk transfer and accurate price discovery, and it protects those markets from imperfect competition, improper trade practices, and fraud. OIG provides effective oversight to help CFTC succeed in its mission. The mission of CFTC impacts the economy in the U.S. and potentially throughout the world, and I look forward to the opportunities that lie ahead.

A handwritten signature in black ink that reads "Brett M. Baker". The signature is fluid and cursive.

Dr. Brett M. Baker  
Acting Inspector General

January 2024

## CFTC Mission and Structure; Management and Performance Challenges for FY 2023

The Commodity Futures Trading Commission (CFTC) is the primary regulator of the U.S. futures, swaps, and options markets. CFTC's stated [mission](#) is "to promote the integrity, resilience, and vibrancy of the U.S. derivatives markets through sound regulation." Through execution of its mission, CFTC supports the [economic purpose](#) of the derivatives markets, namely price discovery and risk transfer. The mission of CFTC potentially impacts the economy in the U.S. and throughout the world.

The CFTC maintains offices in Washington, D.C.; New York, NY; Chicago, IL; and Kansas City, MO. The CFTC organization consists of the offices of the Chairman and Commissioners as well as the following 14 operating divisions and offices (not including OIG):

- Division of Clearing and Risk (DCR)
- Division of Enforcement, including the Whistleblower Office (DOE)
- Division of Market Oversight (DMO)
- Market Participants Division (MPD)
- Division of Data (DOD)
- Office of the General Counsel (OGC)
- Division of Administration (DA)
- Office of the Chief Economist (OCE)
- Office of International Affairs (OIA)
- Office of Public Affairs (OPA)
- Office of Technology Innovation (OTI)
- Office of Legislative and Intergovernmental Affairs (OLIA)
- Office of Minority and Women Inclusion (OMWI)

## CFTC Management and Performance Challenges for FY 2023

The CFTC faces several management challenges that potentially impact mission fulfillment. For FY 2023 we focused on areas where the CFTC must adapt its regulatory framework to keep pace with technological advancements for risk intelligence and capitalizing on existing resources. We identified five challenges; three with opportunities for improvement:

1. Maturing Enterprise Risk Management Practices
2. The Customer Protection Fund
3. Lease Space Savings
4. Maintaining Cyber Security Successes
5. Preparing for its Role for Regulating Digital Assets

Mastering these opportunities can further transform the CFTC to anticipate and mitigate risks impacting the fulfillment of its mission.

## OIG Mission and Authority

The Office of the Inspector General (OIG) mission is to detect waste, fraud, and abuse and to promote integrity, economy, efficiency, and effectiveness in the CFTC's programs and operations. As such it has the ability to review all of the Commission's programs, activities, and records. OIG was established as an independent unit to:

- Promote economy, efficiency, and effectiveness in the administration of CFTC programs and operations, and detect and prevent fraud, waste, and abuse in such programs and operations;
- Conduct and supervise audits and, where necessary, investigations relating to the administration of CFTC programs and operations;
- Review existing and proposed legislation and regulations, and make recommendations concerning their impact on the economy and efficiency of CFTC programs and operations or the prevention and detection of fraud and abuse;
- Recommend policies for, and conduct, supervise, or coordinate other activities carried out or financed by such establishment for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations; and
- Keep the Commission and Congress fully informed about any problems or deficiencies in the administration of CFTC programs and operations and provide recommendations for correction of these problems or deficiencies.

# Mandatory Audits and Evaluations FY 2024

To provide effective oversight to help CFTC succeed in its mission, planned FY 2024 audits, evaluations, and inspections dedicate OIG resources not only to annual mandated audits, but also to high risk and high interest topics. The FY 2023 mandatory audits were on-going or in planning as of the date of this work plan.

## Ongoing Mandatory Audits and Evaluations for FY 2024

### FISMA Act Compliance FY 2023

Each OIG is required to perform a yearly evaluation of agency information security programs and practices to determine their effectiveness. The evaluation must include testing of the effectiveness of information security policies, procedures, and practices of a representative subset of the agency's information systems; an assessment the effectiveness of information security policies, procedures, and practices of the agency. For FY 2023 OIG is conducting an audit. The objective of this audit is to evaluate the effectiveness of CFTC's information security program and practices, and will focus on 40 core controls in accordance with FY 2023 FISMA Reporting [Metrics](#). OIG staff supported by cyber specialists is conducting work in accordance with Generally Accepted Government Auditing Standards (GAGAS).

### FISMA Act Compliance FY 2024

Each OIG is required to perform a yearly evaluation of agency information security programs and practices to determine their effectiveness. The evaluation must include testing of the effectiveness of information security policies, procedures, and practices of a representative subset of the agency's information systems; an assessment the effectiveness of information security policies, procedures, and practices of the agency. For FY 2024 OIG will conduct an audit. The objective of this audit is to evaluate the effectiveness of CFTC's information security program and practices, and will focus on 40 core controls in accordance with applicable required FISMA Reporting [Metrics](#). We plan to contract an IPA to perform this audit. OIG staff will monitor all work in accordance with GAGAS.

# **Additional Mandatory Audits and Evaluations for FY 2024**

## **Financial Statements Audit - Agency FY 2024**

The objective of this Congressionally mandated audit is to render an opinion on the agency financial report (financial statements) in accordance with GAGAS. We will contract with an Independent Public Accountant (IPA) to perform this audit. OIG staff will monitor all work in accordance with GAGAS.

## **Financial Statements Audit - Customer Protection Fund FY 2024**

The objective of this Congressionally mandated audit is to render an opinion on customer protection fund financial statements in accordance with GAGAS. We will contract an IPA to perform this audit. OIG staff will monitor all work in accordance with GAGAS.

## **Payment Integrity Information Act of 2019 (PIIA) Compliance FY 2023**

The PIIA and applicable OMB guidance requires the Inspector General to annually determine and report on whether CFTC is in compliance with PIIA criteria. For FY 2023, our determination will be based on an audit conducted in accordance with GAGAS. We plan to contract an IPA to perform this audit. OIG staff will monitor all work in accordance with GAGAS.

## **Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act) Compliance FY 2023**

The Charge Card Act, as implemented by OMB Circular A-123, Appendix B, requires the OIG to conduct periodic risk assessments of agency purchase and travel card programs. The assessments are conducted to identify and analyze risks of illegal, improper, or erroneous purchases and payments. For FY 2023, we will satisfy this requirement through an audit conducted in accordance with GAGAS. We plan to contract an IPA to perform this audit. OIG staff will monitor all work in accordance with GAGAS.

# **Discretionary Audits and Evaluations FY 2024**

## **New Discretionary Audits and Evaluations for FY 2024**

### **Enterprise Risk Management (ERM) Maturity Evaluation**

We will evaluate the maturity level of the CFTC ERM program in accordance with applicable guidance and standards, including OMB and Committee of Sponsoring Organizations of the Treadway Commission (COSO) standards. We will contract an IPA to perform this audit. OIG staff will monitor all work in accordance with GAGAS.

### **Council of Inspectors General on Financial Oversight (CIGFO) FY 2024 Evaluation or Audit**

Annually, CIGFO may evaluate the effectiveness and internal operations of the Financial Stability Oversight Council. The working group's FY 2024 topic has yet to be determined. OIG will participate if the topic falls within the CFTC mission and jurisdiction.



# Investigations – Priorities, Objectives, and Initiatives for FY 2024

Investigative priorities are dedicated to identifying potential fraud, ensuring integrity, and identifying proactive leads. Following staff departures in FY 2022 and FY 2023, we are in the process of hiring and also seeking assistance from other OIGs. All investigations will be performed in accordance with Attorney General guidelines and CIGIE [Quality Standards for Investigations](#). FY 2024 priorities will also focus on the completion of open investigations.

OIG collects allegations by phone (202) 418-5510, through email ([OIGcomplaint@cftc.gov](mailto:OIGcomplaint@cftc.gov)) and through an on-line [portal](#). The OIG investigates credible allegations within its jurisdiction (i.e., fraud, waste, and abuse relating to the programs and operations of the CFTC), and makes all necessary referrals to other entities, as appropriate, most frequently to the CFTC Division of Enforcement. All suspected violations of law supported by credible evidence are referred to the Department of Justice.



## Contacting OIG

### Reporting Fraud, Waste, and Abuse

The OIG provides multiple ways to report fraud, waste, abuse and mismanagement. We offer a toll-free Hotline number, a fax number, a hotline email address, an online referral form, and an address for regular mail and walk-ins. We facilitate contractor compliance with 48 CFR § 52.203-13 through these processes.

Visit [Office of the Inspector General | CFTC](#) for more information, or contact us:

OIG Complaint Method	Details
OIG Telephone Hotline	202-418-5510
OIG Fax	202-418-5522
OIG Complaint Email	<a href="mailto:OIGComplaint@cftc.gov">OIGComplaint@cftc.gov</a> (you do not need to identify yourself)
OIG Online Intake Form	<a href="#">OIG Intake Form (cftc.gov)</a>
OIG Address	Commodity Futures Trading Commission Office of the Inspector General Three Lafayette Centre 1155 21st Street, NW Washington, DC 20581

### General Comments and Suggestions

Please send general comments or questions to [OIG@cftc.gov](mailto:OIG@cftc.gov). Comments or questions regarding the CFTC OIG workplan may be emailed to [OIGWorkplan@cftc.gov](mailto:OIGWorkplan@cftc.gov). Comments or questions may also be mailed to CFTC OIG at the address listed above.