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Verification and Audit Techniques - A Post- Verification System

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Introduction

- The role of Customs and Border Protection is to provide effective border protection for the Australian community.
- As part of this role the Compliance Assurance Branch monitors the effectiveness of Customs and Border protection's cargo process system and undertakes compliance activities designed to improve industry compliance with border related laws.

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Regulatory Philosophy

- Compliance activities are undertaken in line with the Customs and Border Protection Regulatory Philosophy.
- Customs and Border Protection operates in an environment based on self-assessment, which is dependent on voluntary compliance.

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Regulatory Philosophy

- Providing education and support to clients and the community so they understand their obligations is a key element of Australia's approach to compliance.
- Customs and Border Protection undertakes a number of activities designed to assure compliance. These are separated into pre-clearance intervention, post-transaction activities and education.

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Ensuring compliance

- Customs and Border Protection takes intelligence-led risk-based intervention and assurance approaches to minimise disruption to legitimate trade.
- Most shipments are not inspected and paperwork such as declaration of origin or certificate of origin is not automatically requested.
- The importer needs to be able to produce evidence that a good is eligible for preference if requested.

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Post-transaction activities

- Post-transaction verification activities are documentary checks Customs and Border Protection undertakes after a transaction has occurred.
- The law provides that Customs and Border Protection may request the production of commercial documents and records for up to five years after a transaction.

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Post-transaction activities

- Customs and Border Protection may also recover revenue for a period of four years from the date it was payable, except in the case of fraud or evasion where there is no time limit.

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Desktop verification

- These checks are used to examine a limited number of transactions of a client/s.
- A systems check of this type may be used to confirm a prior audit to ensure the client is now compliant.
- They are also used when a small number of declarations appear to have anomalies that can easily be checked.

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Targeted audits

- A targeted audit examines the records of clients after the import or export transaction has been finalised.
- Each audit will have a unique focus, depending on the reason why it was programmed, and the compliance history of the client.
- The methodology used can vary but most audits involve officers visiting client premises.

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Further information

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