

What will the visit include?

We break down the audit into 3 different checks as detailed below which we follow up with a detailed report with identified non-conformance, observations, and recommendations.

Pre-Audit

- We will request 10 of the most recent and historical Imports and Exports which will simulate a virtual audit check. The aim of this is for us to advance check to see if there any obvious compliance issues to address first.

We recommend CDS reporting to select transactions to simulate the HMRC audit who will use this report. Otherwise, we will need to find an alternative form of selecting a transaction.

<https://www.gov.uk/guidance/request-customs-declaration-service-data-on-imports>

With this we can carry our 10 Import and 10 exports from your records. We can also check is there is any misuse of your EORI e.g. someone else importing on your EORI when they shouldn't be.

- Details of the business and the supply chain directions. Who is the point of contact for the audit and who holds the role and responsibility for Importing and Exporting goods compliance. Also, organisation checks and dept to dept processes. Providing this in advance will save time on the day of audit.
- Overview of how your business has been affected by leaving the EU.
- Conducting compliantly with business with customers in the EU.
- About a HMRC customs audit and how they will carry out. What they are aiming to find out and assist prevention of fraud or record keeping and compliance records.
- Has the company had any previously non-conformances or penalties we can review first. Details of corrective actions and effective recommendations will be in the audit conclusion.

Our Audit breakdown for the day

IMPORT CHECKS

5 Selected Transactions. This will depend on cost, customs procedure (why the goods are being imported) and commodity codes.

The criteria checked will be -

- Purchased/Imported transactions.
- Freight cost and incoterms used.
- Freight insurance.
- Purchase Orders matching Customs entries for sales values. We take “valuation” methods into consideration within this process to identify whether the company is under declaring. This will include proof of payment, currency agreements, Vendor documents and sales invoice.
- Commodity code and methodology for tariff classification.
- Inbound Commercial documents including commercial invoices, bills of landing, CMR/AWB. Packing lists, delivery notes, Certificates of Origin and certification that relates to the products.
- Customs clearance checks, clearance instructions given, standing instructions, classification and use of preference within the rules of origin.
- Advanced preference checks if required including evidence of trade deals and preferential calculations.
- Customs procedure code (CPC) checks. Why are you importing your goods. The aim of this check is to identify misuse of returned goods or importing as samples to reduce duties. If the business holds authorisations for special procedures, we may request additional time to review their procedures.
- Customs entry checks (CDS) from the forwarding agent.
- Discharging a product if end use (Authorise use) demonstrating non resale.
- Import VAT checks, including deferment, postponed VAT. Both PVA reports and C79 documents will be cross referenced to the transaction checked. Full check on the correct duty and VAT being paid.
- Relationships with customs brokers, what checks are done on them.
- Additional checks on post amendments. C18 for completed post amendment entries with audit trail, C2001, C1700 & C285
- Import certificates/IPAFF.
- Audit trail from PO to resale checks including intercompany compliance.
- Supplier relationships and vendor checks.
- Indirect shipment checks/drop shipping valuation.
- Addition customs checks on anti-dumping and equivalence should they be required.

Samples for demonstration will be requested for all documents including those that are specific to the industry.

EXPORT CHECKS

5 Selected Transactions. This will depend on cost, customs procedure (why the goods are being Exported) and commodity codes.

- Sales invoice checks to overseas customers including proof of payment.
- Freight cost and insurance and the incoterms used. Any EXW or DDP transactions will be checked, and recommendations made.
- Contract agreement with customer.
- Purchase Order to Sales audit trails checked against commercial shipping documents.
- Valuation methods and classification.
- Selection of procedure code (CPC).
- Shipping document audit trails and tracking traceability.
- Preference and non-Preferential checks on origin
- Export Entries generated. Full document check from NES/CDS.
- Post Amended and corrective action checks C81.
- Transit checks and removals from customs special procedures. Special procedures may require additional time to review process.
- Intercompany transaction checks.
- VAT checks on outgoing documents.
- Basic Export controls will be checked, including storage of controlled goods and documents raised for discharge. This will be a basic check with recommendation to the ECJU if required.
- Clearance for export, booking freight and relationships with freight forwarders.
- Temporary Export checks, including that of ATA Carnets, commercial goods movements, and any use of duplicate lists. Reason for temporary export and criteria checks.
- Indirect shipment checks/drop shipping valuation. Check for under declaring.
- Northern Ireland, Intra EU movement overview and risk if any. Trusted trader checks.
- Record keeping process and customs management system. Including written procedures. Usually, the companies ERP system is a recommended tool. Recommendations based on experience will be given.
- Record keeping and customs management for control of non-conformance findings.

Checks for customs competence records will also be looked at including training records. We may make recommendations depending on roles within the organisation.

Advanced checks on in house customs capability will need to be reviewed based on CFSP and EIDR activities.

REPORT BREAK DOWN

- Business & Org write up. Business activities.
- Write up on supply chain activities with International Markets
- Check on record keeping & customs management systems, between 3-7 years.
- Reference to written procedures if any.
- Detailed check on 5 Imports & criteria check. Referenced to all order and traceability numbers. End to end – Transaction selected over a 3-year period!
- Detailed check on 5 different Exports. With all criteria checks. End to end
- Transactions checked as per above criteria and document proof.

- Check on post amendments.
- Previous non-conformances.
- Write up on immediate corrections and amendments to be made.
- Write up on future recommendations including additional approvals, customs management systems & AEO.
- Aftercare possibilities. A write up from us to help challenge a transaction with HMRC or a carrier.