**EXAMPLE # 1: Audit of Internal Compliance Procedures Checklist**

It is good practice to conduct a regular audit to ensure that strategic trade control compliance is maintained. For enterprises without a central auditing function the following checklist of points may be helpful. It is recommended that management evaluate the ICP at least once every year.

*Personnel*

* Are records of your personnel involved in controlled activities and or controlled goods, up to date?
* Has your security section vetted them?
* Have all employees who have the ability to make exports (remember that everyone with access to email, telephone and fax can potentially export/transfer technology) received the necessary induction or (refresher) training?
* Do the Performance Agreements and Reviews of these personnel include their control responsibilities as derived from your ICP?

*Documents available*

Do employees have access to:

* Your up-to-date ICP and all compliance procedures?
* An up-to-date version of all national, STC legislation and control lists?
* Guidance notes/contact details?
* National licensing authorities’ website(s).

*Product/license*

* Is there a full product/country/license risk matrix or similar, is it up to date?
* Were your enterprise’s product and or activity range recently checked against STC legislation or other relevant legislation within the last three months? - If not, a check/update should be arranged within the next two months.
* Are classifications of products up to date, including new products?

*Customer information*

* Is the necessary information relating to your enterprise’s customers reaching those responsible for processing licenses/permits within your enterprise? For example do they have access to information to answer end-use and end-user enquiries? - If not, should sales/marketing staff be reminded of what is needed?
* Does your business alert your customers at an early stage of the need for end-use information (e.g. on quotation documents)?
* Is credit control information on customers’ status being fed through for STC compliance checks?

*License processing*

* Are licenses held by the enterprise up to date (for example, any changes in name or address duly notified)? If not, your national licensing authorities should be notified and the license should be re-issued or amended?
* Has any information about your enterprise appearing on a valid license changed? If so, have your national licensing authorities been notified and the license re-issued or amended?
* Are end-use undertakings valid? Are they in the proper format?
* Where licenses are required, are the procedure for submitting a license application working smoothly (also see Customer Information section above)?

*Shipment control*

* Are instructions to shipping department and/or freight forwarders/ agent/transporters up to date?
* Are they being adhered to (e.g. does your freight forwarder/clearing agent/transporters return copies of export documentation within reasonable time)?
* If there are non-compliance on the part the abovementioned entities, does your business revise or restate your requirements and set a date to check on improvement. If this non-compliance persists does your business report the entities to the appropriate national STC authorities?

*Recordkeeping*

* Selecting two or three cases at random, are the records (required to be kept under the licenses) accessible?
* Are all related documents filed together or accessible through common filing fields?
* Are proper records of all imports involving controlled goods, subject to end-user controls by a foreign supplier or its Government, being retained?

*Reporting and Corrective action*

* If aspects of procedures have been found unsatisfactory in the course of this check, or if problems have been encountered in operating the procedures, is there a plan for improvements?
* Have the necessary revisions or amendments been made known to the relevant personnel?
* Have the necessary revisions or amendments been made known to the relevant national authorities?

Adapted and modified from: “Strengthening Strategic Export Controls by Internal Compliance Programmes,” European Commission JRC Technical Report, Second Revision, 2014, < https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&cad=rja&uact=8&ved=0ahUKEwj7\_\_L\_q6TRAhXF5iYKHc66CgAQFggkMAE&url=http%3A%2F%2Fpublications.jrc.ec.europa.eu%2Frepository%2Fbitstream%2FJRC92964%2Fsevini%2520-%2520online.pdf&usg=AFQjCNF79zQ0dNdgtslXkpm4z5yV4DVxog&sig2=39TN2ychiI-AvITpightjw>; “Compliance Code of Practice,” United Kingdom’s Export Control Organisation, November 2012, <https://www.gov.uk/government/publications/compliance-code-of-practice>.

**EXAMPLE # 2: ICP Self-evaluation Checklist**[[1]](#footnote-1)

* Are management commitment and managerial involvement clearly apparent?
* Are sufficient resources, including qualified and dedicated employees, committed to support the STC compliance program?
* Are there established mechanisms through which employees feel safe and comfortable reporting concerns regarding noncompliant activity?
* Do you have established compliance policies, procedures, and standards of conduct for export operations and personnel?
* Is there a sufficient level of written operational guidance to ensure day-to-day compliance?
* Are there effective lines of communication throughout export operations?
* Has your organization built compliance partnerships and applied programs globally?
* Does your organization provide training to all employees on STC-compliance policies and specialized training on policies and procedures for those directly involved in exports and the ICP?
* Have you implemented checks and safeguards, including screening of parties and activities, throughout all export processes?
* Does your program ensure compliance and detect violations through continuous monitoring and audit systems, and does it also ensure appropriate recordkeeping?
* Does your ICP ensure consistent and quick response to detected violations? Does it have an established procedure for escalating problems and taking corrective action when needed?
* Do you continuously evaluate and modify your program to enhance prevention and detection of noncompliance risks?
1. Adapted and modified from: “Compliance Guidelines: How to Build an Effective Export Management and Compliance Program and Manual,” U.S. Department of Commerce, Bureau of Industry and Security (BIS), Office of Exporter Services, Export Management and Compliance Division, November 2013, <http://www.bis.doc.gov/index.php/forms-documents/doc\_view/7-compliance-guidelines>. [↑](#footnote-ref-1)