

U.S. DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY & SECURITY, OFFICE OF EXPORTER SERVICES,
EXPORT MANAGEMENT & COMPLIANCE DIVISION

Audit Module: Self-Assessment Tool

Export Management and Compliance Program (“EMPC”)

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1.0.0 EXPORT MANAGEMENT & COMPLIANCE PROGRAM

1.1.0 Introduction

1.1.1 This self-assessment tool is created for exporters to aid in the development of an Export Management and Compliance Program (“EMPC”).

1.1.2 It may be used to create a new program or to assess whether internal controls have been implemented within an existing program with the purpose of eliminating common vulnerabilities found in export compliance programs.

1.1.3 Each company has unique export activities and export programs; therefore, this is an example to build upon and does not include all export administration regulations, restrictions, and, prohibitions.

1.1.4 This tool is a combination of best compliance practices implemented by U.S. companies, auditing practices, and Export Administration Regulations requirements.

1.2.0 Methodology

1.2.1 An effective EMCP consists of many processes that connect and intersect.

1.2.2 The connections and intersections must be planned, and then, clear directions must be given to those who are to follow the rules of the program.

1.2.3 Without maps (instructions), chances are that personnel will all go in their own directions, leaving them vulnerable to getting lost on the way and chancing that key connections are missed, resulting in violations of the intended rules of the program.

1.2.4 To use this self-assessment, first look to see if your program includes written instructions that create the connections and intersections needed to maintain compliance.

2.0.0 Pre- and Post-Audit Checklists

2.1.0 Pre-Audit Checklist

- 2.1.1 Identify business units and personnel to be audited.
- 2.1.2 Send e-mail notification to affected parties.
- 2.1.3 Develop a tracking log for document requests.
- 2.1.4 Prepare audit templates such as interview questions, transactional review checklist, audit report format, etc.
- 2.1.5 Each business unit should provide their written procedures related to export compliance before the audit.
- 2.1.6 Personnel at all levels of the organization, management and staff, should be interviewed to compare written procedures with actual business practices.
- 2.1.7 Identify gaps and inconsistencies.

2.2.0 Post-Audit Checklist

- 2.2.1 Write draft audit report in the format of: Executive Summary [Purpose, Methodology, Key Findings]; Findings and Recommendations [Organize in Priority Order]; and, Appendices [Interview List, Document List, Process Charts]
- 2.2.2 Conduct post-audit briefing for affected business units to discuss audit findings and recommendations.
- 2.2.3 Provide draft report. This is an opportunity for business units to address inaccuracies in report.
- 2.2.4 Obtain commitment from business units for corrective action. Include in audit report.
- 2.2.5 Brief executive management on audit findings and recommendations.
- 2.2.6 Track corrective actions.
- 2.2.7 Within the year, audit corrective actions.

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3.0.0 ELEMENT 1: Management Commitment

3.1.0 Management Commitment

3.1.1 Management's commitment is communicated on an ongoing basis by the use of Company publications.

3.1.2 Management's commitment is communicated on an ongoing basis by the use of Company awareness posters.

3.1.3 Management's commitment is communicated on an ongoing basis by Daily operating procedures.

3.1.4 Management's commitment is communicated on an ongoing basis by other mean (e.g., bulletin boards, in meetings, etc.).

3.1.5 Management issues a formal Management Commitment Statement (“Statement”) that communicates clear commitment to export controls.

3.1.6 The Statement is distributed to all employees and contractors.

3.1.7 The person responsible for distribution of the Statement has been identified.

3.1.8 There is a distribution list of those who should receive the Statement.

3.1.9 The method of communication used includes letter, email, intranet, and other methods as appropriate.

3.1.10 The distribution of the Statement includes employees signed receipts and personal commitment to comply.

3.1.11 The Statement from current senior management is communicated in a manner consistent with management priority correspondence.

3.1.12 The Statement explains why corporate commitment is important from the Company’s perspective.

3.1.13 The Statement contains a policy statement that no sales will be made contrary to Export Administration Regulations.

3.1.14 The Statement conveys the dual-use risk of the items to be exported.

3.1.15 The Statement emphasizes End- Use/End-User prohibitions.