

KINGDOM OF CAMBODIA

Nation Religion King

Customs and Excise Department

No. 583 C.E

Phnom Penh, 30 June 2008

To

Directors of offices, branches and sub-branches

Subject: Implementation of Initial Post Clearance Audit Manual at Customs and Excise Department.

Reference: Prakas No.388 MEF.CE dated 22 May 2008 on Post Clearance Audit by Customs and Excise Department.

Referring to the above subject and reference, I would like to inform you that in accordance with the provisions of Article 10 of the aforementioned Prakas, Customs and Excise Department decides to issue Initial Post Clearance Audit Manual as enclosed herewith for implementation at Customs and Excise Department. This manual is a detailed guideline of Post Clearance Audit to be conducted by competent customs and excise officers at customs and excise offices, branches and sub-branches or at the premises of relevant auditees.

Upon the receipt of this manual, all persons involved must disseminate and implement this manual effectively from the date of signature.

Please take assurances of my consideration.

**Delegate of the Royal Government
in Charge of Customs and Excise Department**

CC:

- Cabinet of H.E Senior Minister,
Minister of Economy and Finance
“ To be informed ”
- First Deputy Director and Other
Deputy Directors of CED
“For information”
- Documents - Archive

Signature

Dr. Pen Simon

**INITIAL POST-CLEARANCE
AUDIT
MANUAL**

(Ref. Customs and Excise Department Instruction N^o.583 CE Dated 30 June 2008)

2008

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Instruction on Initial Post Clearance Audit by Customs and Excise Department

I. INTRODUCTION

1.1 Purpose of Manual

This Initial PCA manual has been developed to provide guidance to CED officials in the implementation and operation of the PCA program. It is intended to cover the initial start up phase of the program and will be revised as the full PCA program is implemented.

PCA is being introduced in the CED on a phased basis.

Phase 1 will see the start up of the PCA unit in the Sihanoukville Customs Office in conjunction with the ASYCUDA pilot project. The CED HQ PCA team will also be established and will prepare the Audit plan including selectivity criteria for auditees and scheduling, undergo local training, and will also begin operations during this pilot phase, including limited company audits.

Phase 2 will see the full implementation of the PCA program in CED HQ with the team implementing the audit plan including commencing on-site company audits

Phase 3 will see full implementation of the PCA program.

1.2 Concepts of Post Clearance Audit (PCA)

Post Clearance Audit by Customs and Excise Department is an audit, investigation, inspection or control carried out in a systematic manner by competent Customs officers after the release of goods. PCA aims to verify the accuracy and authenticity of Customs declarations covering a certain period of time such as two or three years through the examination of relevant import documentation and records including electronic data that are kept in accordance with the provision of the Prakas on the Management of Documents, Books, Records and Other Information on Imports and Exports.

PCA may entail verification of information carried out in the customs office or through audits carried out at the business premises of the persons being audited.

PCA is not a stand alone system, but one of many customs functions that share responsibility for ensuring the effective collection of revenue and facilitation of trade.

PCA should be linked to these other related functions, under an overall strategy for the whole customs administration. In particular, PCA shares responsibility for the systematized administration of verification activities with other Customs units such as the customs checkpoints, the Technique and Control office and the Customs Investigation unit.

Effective PCA presumes the operation of a self assessment system whereby importers are responsible for making accurate and complete declarations to customs for assessment by customs.

PCA is carried out in close collaboration with the auditees and is quite different from a customs offence investigation. While the Law authorizes PCA officers to enter premises and to examine and if necessary detain books and records, PCA is a voluntary compliance measure. Therefore customs officers should take a cooperation approach in conducting the audit.

PCA targets not only importers but all parties involved in the international trade transactions, including customs brokers, transporters, banks, warehouse operators etc.

2. OBJECTIVES OF PCA

The objective of Post Clearance Audit by Customs and Excise Department is to assure that traders and other associated persons are fully complying with the Law on Customs and all other relevant laws and regulations of the Kingdom of Cambodia.

PCA supports the facilitated release of cargo by conducting post release verification of declarations with the following aims:

- To ensure all importation and exportation are properly declared to Customs;
- To verify the accuracy, completeness and authenticity of Customs declarations made over a certain period by a trader (Auditee);
- To ensure the import and export and control of all goods under the prohibitions and restrictions list are in compliance with existing laws and regulations.
- To ensure all goods under Customs Bonded Warehouse procedure and under other suspension procedures have properly completed customs formalities, and/or that all related conditions and requirements for these suspension procedure have been complied with.
- To ensure declarants are complying with their obligation to retain all supporting documents for the period as set by the existing laws and regulations.

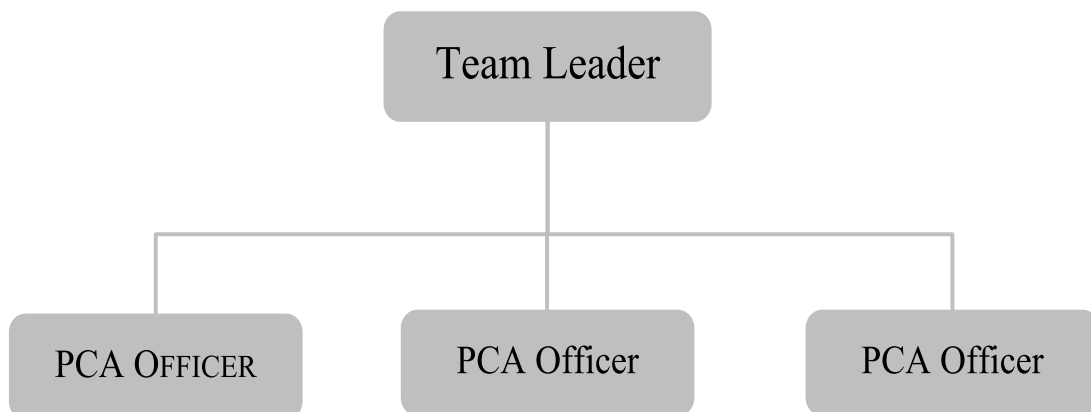
- To recommend that the Auditee take necessary corrective measures to amend incorrect Customs declarations, and to reassess the duty and tax liability as necessary,
- To encourage the Auditee to improve its degree of compliance with the Law on Customs and regulations, and
- In cases where fraud is discovered, to forward the case to the appropriate unit for further investigation.

3. ORGANIZATION OF PCA IN THE CED (PILOT PHASE)

3.1 PCA Team in Sihanoukville pilot site.

The pilot PCA team should consist of a minimum of four competent PCA officers, including a team leader, and three PCA officers. The number of officers in the teams may be revised based on experience and the volume of transactions referred for PCA review through the ASYCUDA system.

A PCA Team



The Sihanoukville PCA team should report to the Director of the CRMA office in CED, but should work closely with officials of the Sihanoukville office.

The PCA team shall immediately carry out desk reviews of declarations assigned the blue processing path in accordance with the approved Detailed Declaration Processing Path (DDPP).

The PCA team also has the right to review declarations assigned to all processing paths in the Sihanoukville check-point/office at any time after the release order is issued.

In any case where a discrepancy is detected the PCA team will prepare and submit to the CRMA a written report or a customs offence record in accordance with existing regulations.

The Sihanoukville PCA team shall work closely with and cooperate with the Sihanoukville Branch officers in order to obtain their support and assistance as needed.

The Sihanoukville PCA team will not conduct audits at traders' or other related parties' premises.

During the initial start up period, the PCA team will provide weekly reports to the CMRA office with the following information:

- the number of declarations assigned the blue channel processing path
- the number of declarations reviewed by the PCA team on all other processing path,
- the number of cases where discrepancies have been detected by processing path,
- list of importers involved and details of their discrepancies,
- summary report on type of discrepancies,
- the number and amount of reassessments initiated and the revenue reassessed.

The PCA Team will provide a monthly summary report of the above information to the CRMA office.

3.2. Provincial and Municipal Customs Branch PCA Teams

Provincial and Municipal Customs Branches shall establish PCA teams. These PCA Teams shall carry out reviews of declarations from all checkpoints under their jurisdiction in accordance with risk management policy and with the provisions of Paragraph 3.1 of this Manual.

Provincial and Municipal Branch PCA teams may conduct on site audits at the premises of traders and other related persons located within their jurisdiction based on identified high risk targets, and with the approval of the Director General.

3.3. Control Office of the CED Headquarters

The Control Office shall be responsible for the systematic and regular post clearance verification of declarations from all customs checkpoints to ensure consistency and quality of declarations.

In order to avoid duplication of effort, the Control Office may not review declarations that have been audited by the PCA team at the Sihanoukville pilot

operation. The PCA team at the Sihanoukville pilot operation shall regularly provide to the Control Office lists of declarations reviewed.

The Control Office will not be responsible for the conduct of post clearance audits at the premises or offices of importers or other involved parties.

The Control Office shall continue to provide feedback to checkpoints and customs offices on their findings, and to issue notices of reassessment demanding additional payment of duty and taxes. Copies of all reassessment notices shall be provided to the CRMA Office in CED Headquarters for possible follow up audits.

The Control Office and the CRMA Office shall communicate regularly and shall share information on findings and trends in order to ensure coordination of their operations.

3.4. The Customs Risk Management and Audit Office (CRMA) of the CED Headquarters:

The CRMA office is responsible for the overall management and conduct of the CED Post Clearance Audit program including:

- Developing the procedures and manuals for operation of the program for submission to the Director General for approval;
- Preparing annual audit plans based on selectivity criteria;
- Providing direction and guidance to the PCA units operating in checkpoints and branch offices;
- Conduct of post clearance audits of declarations on a selective basis,
- Conduct of audits at the premises of traders or concerned persons based on identified high risks and with the approval of the Director General.;
- Providing regular reports to the Director General as required;
- Coordinating the PCA program with other involved offices such as the Control Office, Provincial and Municipal Branch Offices and checkpoints, the Investigation office and other relevant offices.
- To Instruct Customs officers under their supervision by cooperating with relevant competent authority particularly local authority if necessary, in order to achieve the above roles.
- Any other roles of CRMA office related to PCA program stated in the provision of Praka 3 of Prakas No 607 on Establishing and Functioning of Customs Risk Management and Audit Office.

4. PCA Officers

4.1. Rights of PCA officers

Necessary actions to be taken by CED PCA officers in the course of PCA at the traders' premise are as follows:

- Entry to, and perform the audit fieldwork at any time (normally 6:00AM-6:00PM) at, auditee's premises or places where documents, records or other information are kept;
- Examination of imported and exported goods, business records, business systems and commercial data relevant to customs declarations that made during the audit period (Note: records and data include electronic formats);
 - Inquiry of auditees;
 - Temporary retention of auditee's books and records;
 - Obtain information necessary for the enforcement of PCA from other relevant Ministries and governmental agencies;
 - To request the auditees to present accounting vouchers and books and other documents related to the exported or imported goods which have been cleared from customs, and copies of the said materials;
 - To conduct the actual auditing of the exported or imported goods as stipulated in the provisions of the Law on Customs;
 - To issue a Notice which states re-determine the declared customs value and the reason for the decision;
 - To apply measures to deal with administrative offences in accordance with the provisions of the Law on Customs;
 - To initiate enforcement measures such as the sealing of a place of business or space, if;
 - a. In spite of persuasive efforts, auditors remain unable to enter the place or space that is suspected to keep books, records and documents and goods.
 - b. There are indicators that an act of crime has been committed.

4.2. Obligations of PCA officers

- a. To present the decision on auditing and customs ID cards to auditee;
- b. To comply strictly with the order and procedures of inspection;
- c. To observe the law, to ensure objectivity and accuracy;

d. Not to compel fulfillment of illegal requirements, thereby causing difficulties and troubles to the auditees as well as concerned organizations and individuals;

e. Not to make intentionally any untruthful conclusions;

f. To report to the persons who signed the decision on auditing and propose measures to deal with the results of audit;

g. To bear responsibility before the law for the minutes on conclusions of the audit;

h. To comply with the regulations on confidentiality, to manage and use vouchers and documents as provided for the proper purpose.

5. AUDITEES

To achieve verification of import or export declarations, PCA is conducted to the following persons/companies (Auditees):

a. Importers;

b. Exporters;

c. customs brokers;

d. operators of temporary storage facilities

e. operators of customs bonded warehouses;

f. transportation operators;

g. other concerned parties including commercial bank and similar such institutions.

5.1. Rights of Auditees:

The rights of auditees are as follows, other than rights provided in the Article 24 of Law on Customs:

a. To request PCA officers to show the Notification on auditing and customs identity cards;

b. To refuse the auditing if the decision on auditing does not comply with the provisions of the law;

c. To lodge complaints and denunciations in relation to conduct in breach of the law by PCA officers during the course of an auditing;

d. To provide explanations in the minutes on conclusions of the auditing and on the proposals for measures as prepared by the PCA officers;

e. To object to the decision by writing to the Director General of Customs within 30 days from the date auditees receive the Notice of the re-determination, according to article 24 of the Law on Customs;

f. To request the customs office to compensate for damages caused by any unlawful manner as the results of audit.

5.2. Obligations of Auditees

The obligation of auditees as follows:

a. To appoint competent persons to cooperate with the PCA officers;

b. To create good environment for the PCA officers to perform their tasks;

c. To provide all accounting vouchers and books and other documents relating to the exported or imported goods and copies of those materials at the request of the PCA officers;

d. The auditees shall be required to comply with the regulations on PCA, decisions on auditing and instructions on conclusions of auditing;

e. Not to obstruct the auditing activities in any way

f. To receive a notice on conclusions of the auditing;

6. MECHANISM FOR OPERATION OF PCA IN CED

6.1 Examination of Documents, Books, Records, and other information by PCA officers:

Documents means documents in any form, whether or not signed or initiated or otherwise authenticated by the maker in accordance with the provision of Article 51 of the Law on Customs and Prakas No.113 MEF.BK dated 15 Feb 2008 on the Management of Documents, Books, Records and other Information on Import and Export.

The primary objective of the examining of trade-related books and records is to identify whether or how the audtee's trade transactions affect the elements of customs procedure in SAD. To attain this objective and to detect any possible violation of Law on Customs and other Laws of the Kingdom of Cambodia, the reality of each transaction with a specific trader should be examined through individual records and the comparison with relevant records, tracing each process of a transaction, such as correspondence, cost calculation, negotiation, contract, delivery of goods, payment, and resale of goods.

The following are the general guidelines to be observed in the examination of trade-related books and records:

- a. Pay attention to the order of filing;
- b. Pay attention to peculiar matters in qualities of paper, styles, and signature.
- c. Pay attention to the person who makes documents.
- d. Pay attention to notes that are hand-written in a margin and inserted paper.
- e. Pay attention to peculiar appearances on a page, such as an abnormally broad blank and an unusual crease
- f. Examine the original document. Copies and duplicates have high risk of falsification; and
- g. Start the examination from documents which are for daily use, in case the auditee denies existence of records, or refuses to present them.
- h. To verify consistency of the related documents, books and records.
- i. To evaluate compliance level of traders through accuracy of trade related documents.

To trace or make decision on result of documentary examination, PCA officers are required to conduct additional interviews, to extend scope of PCA and to introduce any sign of violation to the relevant laws and regulations.

PCA shall be conducted after issuing the release order of cargo from Customs.

6.2 The Process of PCA includes the following steps:

Step 1: Preparation and planning for audit:

1.1 Selection of targeted traders and schedule management

1. To consider whether the team should implement PCA by reviewing the documents and high risk indicators.
2. To draft Monthly and Annual Schedule for PCA. (PCA Form 1)
3. PCA team leader must consult with senior officers in CED for making decision.
4. To consult with other CED units (Control Office, Technique Office, Checkpoints, Enforcement/intelligence office etc), other relevant departments and organizations (in the case of audits involving imports of restricted or prohibited goods), individuals and others to gather additional information and to verify relevant information.
5. In case that trader cannot be located, the notification shall be issued by using available information sources. In spite of the investigation, if trader is still not

identified, PCA team should require ASYCUDA to select the trader as unknown trader and try to find access to the trader at the time of SAD submission. The case may also be referred to the customs investigations/intelligence office for assistance.

Step 2: Issuing Audit Implementation Notification and audit questionnaire

1. The PCA team to contact the auditee to advise them of the planned audit and to agree on dates for the audit.

2. When leader of the audit team and traders agreed on the date to conduct PCA, the PCA Unit should prepare an Audit Implementation Notification,

Competent PCA officer signs and issues the official Audit Implementation Notification on PCA (PCA Form 2), including the audit Questionnaire (PCA Form 3) and sends it to the auditee by any means before conducting the audit.

Step 3: Approving of Audit Plan

The PCA officers have to prepare Audit Plan which must be approved by the Chief of the PCA office. The Audit Plan includes the company's profile, details on Import/Export transactions, other relevant information for conducting PCA and the target issues for the audit. (PCA Form 4)

Step 4: Meeting prior to the field audit

Based on Audit Plan and background data and the completed Questionnaire of the target company, the team to define particular items for auditing, allocate the tasks amongst audit team members, and decide points to keep in mind concerning the audit.

In addition, team prepares additional documents and related data as a precautionary measure, if necessary.

Step 5: Conducting the PCA at the premises of auditee:

(Further revised as the full PCA program shall be implemented near future, in line with ASAN PCA Manual)

1. Field audit should be conducted with following steps.

a. Initial Meeting with the company

The first step of a field audit is an initial meeting with representatives of the auditee to deal with administrative matters necessary for conducting the audit and to conduct the overview examination.

High-ranking representatives of the auditee should be invited to the meeting in order to ensure a high level of cooperation. Some auditees may request that consultants, accountants, or lawyers attend the meeting. Unless laws and regulations restrict their involvement in the audit, their participation should be welcomed. Their professional advice may help smooth implementation of field audits.

At the meeting, audit teams should explain the following matters to auditees and try to deepen their understanding of the field audits:

- Authority of the audit team to conduct the field audit;
- Objectives of the audit;
- Books, records and documents to be presented; and
- Schedule for the audit.

In addition, audit teams should request that auditees designate representatives who present necessary records and liaise with relevant internal sections in the course of the field audits.

b. Auditing ledger sheets

The key ledger sheets(account ledger documents) the importer (legal entity) prepares and keeps are as follows:

- Accounting records
- Account ledgers
- Slips
- Vouchers
- Document related to international trade
- Contract of sale and purchase
- Order sheets
- Invoices

c. Auditing actual commodities

Confirm the actual commodities to check whether they are the same as those appearing on the declaration.

d. Auditing actual condition

With consent from the person in charge, check actual proceeds of clerical works) email correspondence, documents the person in charge keeps on table.

e. Auditing third parties

Since some importers have no complete account ledgers on import freights, or the content of account ledgers lack credibility, it is hard to attain the audit's objectives

by only auditing the importers. In this case, it is necessary to audit the customs agent handling the commodities, relevant entrusted import agents and other relevant persons or agents.

2. Base themselves on signs of violating the customs legislation.

3. After conducting the PCA, if PCA officers confirm no trace on any violation of existing laws and regulations, team leader has to report to Chief of related PCA Office or Unit, and terminate the PCA activity.

4. By the end of PCA, if any acts of violating the customs legislation are detected, written records on such violation acts must be promptly made according to the regulations and inquire auditee, report to the chief of related PCA Office or Unit.

5. PCA working papers should be filed in order and cross reference to source documents, and summary of work done and findings.

6. In case the location of auditee is out-side of jurisdiction of certain branch office, PCA team of CED Headquarter or other branch offices, or CRMA office must cooperate with the said office to conduct PCA.

7. In case Auditee fails to keep books and records;

PCA auditor instructs auditee that they must keep documents, books and records on imports and exports, otherwise they will be punished in accordance with the Law. Auditor issues to the auditee the Warning Notice (PCA Form 5) signed by the chief of the PCA unit.

8. In case Auditee refuses to provide relevant documents, books and records in the course of PCA, or rejects or obstructs PCA execution itself;

Competent PCA officers shall make written fact records and report to competent senior officer in CED. The senior officer in CED requires ASYCUDA to select the trader as high risk target and verify the documents to clarify suspicious points at the entry of cargoes. The person who repeatedly rejects or obstructs the conduct of PCA shall be punished in accordance with Law and regulation.

Audit team must endorse Official Report on Refusal or Non Cooperating to Audit Implementation. (PCA Form 6).

9. In case retention or return of auditee's books and records, chief of auditor must issue *Letter. (PCA Form 7).

Step 6: Written records of PCA conclusions:

1. The audit Team shall make *Provisional Audit Finding Agreement as written records of PCA conclusions in both cases of Step 4, on the basis of synthesizing

the already gathered evidences, and agreed the content of the written records with company. (PCA Form 8)

2. The final (closing) discussion is held in the case that the company does not agree to part of or entire Provisional Audit Findings. PCA team shall make *Summary of Final Discussion of the audit result. (PCA Form 9)

3. To report to the Director General of CED and propose measures to deal with the results of audit. (PCA Form 10)

Step 7: Subsequent actions and follow up to PCA:

1. To review the written records and complete Audit Report on PCA results.

2. Based on PCA results, request ASYCUDA to change channel's color, if necessary.

3. To keep and maintain the PCA records.

4. To monitor implementation of follow-up actions.

5. To record findings for later strategic analysis and planning purposes

6. To prepare Periodical Report on implementation of audits to Director General of CED. (PCA Form 11)

7. CODE OF CONDUCT FOR PCA

7.1. Ethical standards for PCA officers

PCA officers must avoid any arrogation when they exercise the authority to conduct PCA. Neither individual human rights nor a peaceful private life must be violated by unjustified use of the PCA authority. PCA officers must exercise their authority strictly complying with relevant laws and regulation, especially the CED Code of Conduct and Ethics.

7.2. Confidentiality

PCA officers must keep secrecy of both Auditees and Customs.

PCA officers are constantly dealing with business/personal secret of Auditees. Officers need to be very wary of accidentally or recklessly leaking or passing information from an Auditee to another. On the other hand, PCA officers must pay attention not to disclose Customs confidential information to outside.

7.3. Establishment of Cooperation with Auditees

PCA is different from the criminal investigation to need a search warrant of a court of law as a general rule. PCA may be conducted with consent of the declarant and other relevant persons/companies to be audited.

Even though the penal to the person who rejects or obstructs the conduct of PCA is provided, it is hard to achieve effective and efficient PCA without understanding and cooperation of Auditees. Whenever conducting the audit, PCA officers do not neglect the effort to obtain understanding and cooperation of the Auditee.

7.4. Required Knowledge for PCA officers

Effective and efficient conducts of PCA cannot be achieved without sufficient skills of PCA officers. PCA officers are required to equip the following skills:

- A sound understanding of Law on Customs, other regulations relating to PCA and trade businesses

- General education, experience and ability to apply knowledge, including contemporary PCA technique, to the type of audit work being undertaken;

- A good understanding of accounting principles and techniques;
- A sound understanding of business practice (both international and domestic, also including banking system);
- Good knowledge of the Customs tariff and related documentation
- Sound knowledge of the legislation relative to the valuation and origin of goods.

- Sound understanding of exempted, prohibited and restricted goods.
- High standard of judgement and initiative
- The skills to communicate clearly and effectively, both orally and in writing.
- Sound working knowledge of department's computer systems
- Common language in international trade (that is probably English language, with sufficient level to understand contents of business documents including license agreement.)

Annex

PCA Form 1 to PCA Form 11

Reference Documents



1. Law on Customs promulgated by Royal Decree No.NS/RKM/0707 /017 dated 20 July 2007.

2. Prakas No. 920 dated 12 November 2003 on Organization and Functioning of Customs and Excise Department.

3. Prakas No. 607 dated 7 August 2006 on the Establishing and Functioning of Customs Risk Management and Audit Office.

4. Prakas No. 113 dated 15 February 2008 on the Management of Documents, Books, Records and Other Information on Imports and Exports.

5. Prakas No. 388 dated 22 May 2008 on Post Clearance Audit by Customs and Excise Department.



Monthly Schedule of Audit

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	Remarks	
Audit Team	Name	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed		

Condition of importers planned to be audited	Importer's name		①					②					③					④		
	Importer's code	Quality level																		
	Address																			
	Phone number																			
	Section & staff in charge																			
	Volume of tax payment (Customs duty) (VAT)	main HS code																		
	Date of last audit /Never audit before	Discrepancy Y/N																		
	File No.	Audit Team	Name of Leader																	
	Note (Importer's recovered tax in last audit, etc.)																			

Annual Schedule of Audit

Date Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	Note		
July																																		
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April																																		
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June																																		
Note	<div style="display: flex; justify-content: space-between; padding: 5px;"> <div style="width: 22%;"> <p>Importers never audit before</p> </div> <div style="width: 22%;"> <p>Large scale of Importers</p> </div> <div style="width: 22%;"> <p>Importers located in other province</p> </div> <div style="width: 22%;"> <p>Others</p> </div> </div>																																	

Kingdom of Cambodia
Nation Religion King

Customs and Excise Department**Branch/Office**

No:

Date:

To

.....

Subject: Notification on the implementation of post-clearance audit of**Reference:** Prakas No. 388 MEF.CE dated 22 May 2008 of the Ministry of Economy and Finance on Post-Clearance Audit by Customs and Excise Department.

Having seen the above subject and reference, we would like to inform you the schedule of the Customs Audit for **XXX Company** for the period from DD-MM-YYYY to DD-MM-YYYY will be conducted from DD-MM-YYYY to DD-MM-YYYY.

As we told you on the phone the other day, our work will include, but will not be limited to, such tests of controls and substantive procedures as we consider necessary to provide sufficient evidence that gives reasonable assurance as to whether the custom clearance are free from material misstatements and comply with the existing law and regulation. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the customs declaration form.

In order to perform the audit efficiently and effectively, set out below is a list of specific items of information and documentation that we will require for completion of this engagement. Copies of all information and documentation are to be provided to us a week prior to commencement of the audit field work. It is emphasized that this is a preliminary list and that we may also require additional information and documentation as the need arises during the course of the engagement.

- (1) Importation/Exportation summaries and other attached documents
- (2) Importation Contracts, Order Sheets, Estimates, Price Lists, Memorandums, Invoices, B/Ls, Insurance Policies, Debit Notes, Credit Notes, and Other Documents related to Customs Clearance
- (3) Correspondences such as Letters, Telex, Fax mails, E-mail
- (4) Cost Accounting Books, Processing Order Sheets, Manufacturing Report, Technical Assistance Contract, Documents related to Inverse Processing Deal, Exportation Related Documents, and Other Transaction Related Documents

(5) Accounting Books and Slips such as General Ledger, Journal Books, Purchase Books, Sale Book

(6) Financial Documents such as Remittance Application Form or L/C, Corporate Tax Return Form, Statement of Account, and Portfolio Report of last three years

We sincerely appreciate your understanding and cooperation.

Director of Customs and Excise
Branch/Office.....

Note:

Please contact the following person

For more details.

Mr

Tel:

E-mail:

Cc:

-Delegate of the Royal Government of Cambodia

in charge of Customs And Excise Department

-Archived documents

Importation Summary (2)

13. Importer's code	Name	Address	14. Type of Industry	15. Business classification	17. Established in	19. Fiscal term	20. No. of Employees
	(Cambodia)			<input type="checkbox"/> Wholesaler <input type="checkbox"/> Retailer	(Year/Month/Date)/Year	
	(English)			<input type="checkbox"/> Mfg. <input type="checkbox"/> Other			
	----- Phone No.			16. Form of Business	18. Began Import in		
				<input type="checkbox"/> Domestic <input type="checkbox"/> Foreign <input type="checkbox"/> Privat	(Year/Month)		

21. Business Results

Period	Total			
Capital Items				
Gross Sales				
Cost of Sales				
Gross Profit on Sales				
Adm & Selling Exp.				
Business Profit				
Net profit				
Gross Sales on importer (Ratio)				
Gross Sales on Exporter (Ratio)				

22. Capital Composition

Last Modified in	
Gross Capital	
Stock Holder	
Other	

23. Basic Documents

<input type="checkbox"/> Business Summary
<input type="checkbox"/> Organization Chart
<input type="checkbox"/> Private Accounting Regulations
<input type="checkbox"/> Accounting Book
<input type="checkbox"/> Portfolio Report
<input type="checkbox"/> Corporate Tax Return Form
<input type="checkbox"/>
<input type="checkbox"/>

24. Organization Chart

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27. General Procedure to Make a Contract

	File name
Negotiation	<input type="checkbox"/> Letter
	<input type="checkbox"/> Telephone
	<input type="checkbox"/> Fax
	<input type="checkbox"/> Internet
	<input type="checkbox"/> Email
Pricing Data	Price List
	<input type="checkbox"/> Quotation
	<input type="checkbox"/> Offer Sheet
Contract and Performance	<input type="checkbox"/> Proforma INVOICE
	<input type="checkbox"/> Confirmation
	<input type="checkbox"/> Purchase Note
	<input type="checkbox"/> Sales Note
	<input type="checkbox"/> Debit Note
	<input type="checkbox"/> Credit Note
	<input type="checkbox"/>

25. Outline of Bookkeeping

Accounting Procedure
<input type="checkbox"/> Computerized <input type="checkbox"/> Accounting Books <input type="checkbox"/> Slips

26. Accounting Books etc.

	Bursary (Accounting)	Brokerage department
Major Book	<input type="checkbox"/> general ledger Journal Book	<input type="checkbox"/> Receiving <input type="checkbox"/> Disbursement
Subsidiary Book	<input type="checkbox"/> bought <input type="checkbox"/> sales Account-Payable	<input type="checkbox"/> bought <input type="checkbox"/> sales
	<input type="checkbox"/> Account-Recievable <input type="checkbox"/> Suspense	Slips <input type="checkbox"/>
	<input type="checkbox"/> Account Due <input type="checkbox"/> Checking Account	<input type="checkbox"/> Imported Merchandise Account
Slips	<input type="checkbox"/> Cash <input type="checkbox"/> Import Expense <input type="checkbox"/>	<input type="checkbox"/> Letter of credit ledger
	<input type="checkbox"/> Receiving <input type="checkbox"/> Disbursement	<input type="checkbox"/> Debit, Credit Note
	<input type="checkbox"/> bought <input type="checkbox"/> sales	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>

29. Other

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Auditing Plan

For the period from dd-mmm-yyyy to dd-mmm-yyyy

Date prepared: -----
Prepared by: -----
Reviewed by: -----
Approved by: -----

Company's Profile

- 1 **Company name:**
- 2 **Importer's Code**
- 3 **Address**
- 4 **VAT TIN:**
- 5 **Registered paid up capital:**
- 6 **Date of Registration:**
- 7 **Number of employee**
- 8 **Phone No:**
- 9 **Fax No:**
- 10 **Contact person:**
- 11 **Company's shareholders**

	Share		Address:
	%	USD	
1 Mr. -----			
2 Mr. -----			
3 Ms. --- -----			

Company's bank accounts:

	Bank name	A/C No:							
1									
2									
3									

Related parties:

1										
2										
3										

Comments relating to financial situation and reputation of the company, litigation and fraud. Last audit warning notice. Other
--

Type of business: Sanitary manufacturing
 Main business activities and risk issues: Import and Export, Royalty
 Major commodity: Sanitary Goods

Import/Export transactions:

Import by commodity

	HS code	# of clearance	Dutyable value		Duty		VAT		Total		Principle Exporters
			Last year	This year	Last year	This year	Last year	This year	Last year	This year	
1	*****										
2	*****										
3	*****										
4	*****										
	Sub-total										

Export by commodity

	HS code	# of clearance	Dutyable value		Duty		VAT		Total		Principle Importers
			Last year	This year	Last year	This year	Last year	This year	Last year	This year	
1 *****	5603										
2 *****	6789										
3 *****	3402										
4 *****	4818										
	Sub-total										
	Grand total										

Reason and comments to any significant variance in the above comparison.

Import/Export transaction:

Audit work to be done

- 1 Related party transactions Perus through related party account and trace to invoice, debit not, credit note or bank statement for payment.
Check invoice, debit not, credit note and payment voucher files to find out any related parties transaction and trace back to accounting record.
Check Royalty contract between Parent and Affiliate companies

- 2 Bank statement verification Check high value items in the bank statement during the period to supporting document and trace to accounting records.
Check double entry in the accounting book for the above transactions
Send bank confirmation to respective bank for any suspected transactions.

- 3 Import declaration Check tariff classification and rate
Check exchange rate and calculate tax payment
Check import declaration form to invoice, packing list, BL and trace the amount to L/C or TT in bank statements.
Compare unit price to current market price. if the margin is higher than 20%, need further observation for under value declaration.
Check deficiency of blanket valuation
Separate payment of royalty, development cost, design cost.
Cost calculation sheet and trace back to accounting entries in GL.

- 4 Export declaration Check tariff classification and rate
Check exchange rate and calculate tax payment
Check export declaration form and invoice to L/C from customer or payment received in bank statements.

5 Other

Audit team

- 1 Mr. Team leader
- 2 Mr. Audit officer
- 3 Ms. Audit officer
- 4 Mr. Audit officer

	Audit timetables	Date							
1	Collect information and planning	mm-dd-yy							
2	Commencement of audit	mm-dd-yy							
3	Summary of audit finding	mm-dd-yy							
4	Discuss with company's management	mm-dd-yy							
5	Draft audit report	mm-dd-yy							
6	Submit file and draft report for DG review and approve	mm-dd-yy							
7	Release final PCA report.	mm-dd-yy							

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Customs and Excise Department

Customs and Excise Branch/Office

No:

Date:

To

.....

Subject: Warning notice of Post Clearance Audit.

Reference: - Letter No: dated

- Assignment Letter No: dated

Having seen the above subject and reference, we would like to inform you that this letter will serve as a warning concerning your failure to provide and produce documents related to customs and excise activities as enumerated on Audit Implementation Notification letter number _____ date _____.

This means that you have failed to comply with the provision of Article 52 of Customs Law, which requires that at the request of Customs you are obliged to make available for examination, documents, books, records and other information concerning imports and exports. However, since this is the first time that a post-clearance audit has been conducted at your company we understand there may be a period of learning required in order to comply with customs requirements. As such, we are prepared to offer you an opportunity, without penalty, to prepare the appropriate documents which then be submitted to the audit team. Should you fail to submit the documents, you will be penalized under the provision of Article 74 of Customs Law.

In due course, we will inform you when the next post-clearance audit is to be conducted at your business premises.

In summary, you are expected to submit to the audit team on the day of the audit the following documents:

1. importation contracts, order sheets, estimates, price lists, memorandums, invoices, bills of lading, insurance policies, debit notes, credit notes, and other documents related to customs clearance.

2. correspondence, such as letters, telex, fax mails, e-mails.

3. cost accounting books, processing order sheets, manufacturing report, technical assistance contract, documents related to inverse processing deal, exportation related documents, and other transaction related documents.

4. accounting books and slips, such as general ledger, journal books, purchase books, sale book.

5. financial documents, such as remittance application forms, letters of credit, corporate tax return forms, statements of account, and portfolio report of last three years.

Post Clearance Audit Team Leader

Note:

Please contact the following person

For more details.

Mr.

Tel:

E-mail:

CC :

- Delegate of the Royal Government of Cambodia in charge of Customs and Excise Department
- Customs and Excise Offices/Branch

“ To be informed ”

- Documents – Archived

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Customs and Excise Department

OFFICIAL REPORT ON
REFUSAL OR NON-COOPERATING TO AUDIT IMPLEMENTATION

In accordance with Assignment Letter No.C.E dated of Customs and Excise Department, on the dated..... we, Post Clearance Audit team, was assigned to conduct audit on toward:

- Name of Company.....:
- VAT. TIN :
- Address :

However, the company has refused to be audited.

This Official Report on Audit Refusal is created to conform to Law on Customs and Prakas on Post Clearance Audit of Customs and Excise Department.

Phnom Penh, Date

PCA Team	ID	Signature
Mr.	
Mr.	
Mr.	
Mr.	

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Customs and Excise Department

**EVIDENCE OF BORROWING AND REVERSION OF BOOKS,
 RECORDS AND COMPANY DOCUMENTS**

- A.** Name of Company:
- VAT TIN:
- Address:
- Audit Period:

B. Books, Records and Documents borrowing or returning.

N°	Documents borrowed			Borrowing		Reversing	
	Document	Number	Note	N°	Note	Complete	N°

Name of Borrower	Name of Lender
Name:	Name:
Signature:	Signature:
Date:	Date:
Name:	Name:
Signature:	Signature:
Date:	Date:

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Customs and Excise Department

PROVISIONAL AUDIT FINDING AGREEMENT

Number of Assignment Letter:

Date of Assignment Letter:

Name :

VAT TIN :

Address :

Audit Period :

N°	Description	Audit Finding	Recommendation	Note	Company's Reponse

PCA Team	Name	ID	Signature
Leader			
Member			
Member			
Member			

Company	Name	Testimony	Signature
		We totally agree with the findings.	

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Customs and Excise Department

SUMMARY OF FINAL DISCUSSION OF THE AUDIT RESULT

Name of Company:

VAT TIN :

1. Audit Finding

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.....
.....

2. Criteria

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3. Respond of Company

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4. Audit Team Opinion

.....
.....
.....
.....

Signature:

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Ministry of Economy and Finance
Customs and Excise Department

CUSTOMS POST CLEARANCE AUDIT REPORT

Schedule No:
Date prepared:
Prepared by:
Reviewed by:
Approved by:

Company Name:

Audit Period:

General findings

1 - Summary of any information from relevant departments or offices and cross reference to source document if auditor considered the matter as critical.
2 - Comments on book keeping system and control.
3 -
4 -

Tax Issues

1. Tax difference due to declared value

Customs Declaration		Ref	Commodity description	HS Code	Tariff rate %	Value (USD)			----- Difference (USD) -----			
No	Date					Declared	Actual	Diff.	Duty	VAT	Total	
Sub-total												

2. Tax difference due to wrong classification

Customs Declaration		Ref	Commodity description	Declared		Actual		Taxable Value	Difference (USD)		
No	Date			HS	Tariff rate	HS	Tariff rate		Duty	VAT	Total
Sub-total											
Total tax recovery											

3. Type of contravention

Type of contravention	Number of contravention
Separate payment of cargoes	
Separate payment of commissions	
Export of goods free of charge	
Royalty	
Other	
Total	

Remarks
<p>Comments to draw next auditor attention to be carefull and mention name of importers/exporters who involved mistakes or errors. Audit technique to find the mistakes or errors.</p> <p>-----</p> <p>-----</p>

4. Other Tax issues

Conclusion:

Ministry of Economy and Finance
Customs and Excise Department

SEMESTER REPORT ON AUDIT IMPLEMENTATION

.....**Customs and Excise Department**

Semester: **Fiscal Year:**

No	Name of Company	VAT TIN	Address	Background of Audit Implementation	Finding Result	Follow Up	Follow Up Realization	Remark
1	2	3	4	5	7	8	9	10

Date:.....

Reg. Number:.....