

Spotlight

Department of Homeland Security



Office of Inspector General

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Why This Matters

U.S. Customs and Border Protection's (CBP) Office of Regulatory Audit (ORA) advises collection officials of revenue underpayments and importer noncompliance. ORA conducts diverse audits, including audits to ensure the protection of U.S. Government revenues and compliance with customs laws, as well as audits to protect the rights of the public transacting business. To ensure compliance with customs laws, the office selects importers to audit to determine whether they have accurately declared the value and classification of their merchandise for entry into U.S. commerce. In 2010, CBP provided oversight for more than \$30 billion.

DHS Response

CBP ORA concurred with all of our audit recommendations. Corrective actions have already been implemented or planned with an implementation date of March 31, 2013.

Customs and Border Protection's Office of Regulatory Audit

What We Determined

At the request of Senator Charles Grassley, we audited CBP's Office of Regulatory Audit concerning alleged deficiencies in their revenue collection program. Our audit objectives were to determine whether ORA is conducting audits with reasonable assurance that they meet current government auditing standards and whether the office has an effective process for audit selection. ORA is not conducting audits that meet all July 2007 government auditing standards, does not have an effective audit selection process, and needs to improve CBP's ability to recoup unpaid duties identified during audits. These problems are due to outdated audit policies, poorly implemented field quality control mechanisms, a lack of current importer information for audit selection, and insufficient collaboration with CBP collection officials.

What We Recommend

We recommend that ORA ensure that its audits comply with current government auditing standards, update its audit manual, strengthen its internal quality control program, revise its audit selection process, and improve collaboration with CBP collection officials and other Department of Homeland Security stakeholders.

For Further Information:

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