GUIDE

Audit of plant export operations

Direction to staff
You must comply with this instructional material under the Practice Statement Framework.

Direction to authorised officers
Authorised officers must exercise powers and perform functions in accordance with any lawful directions or instructions issued by the department.

Direction to Industry
This guideline outlines the requirements for empty bulk vessels for loading of prescribed goods for export. All parties with roles and responsibilities explicit in this guideline and legislation must comply with it.

Summary of main points
This document outlines the principles for the development, implementation, management and improvement of audit activities for plant export operations, and includes:

- audit principles
- governing materials
- auditable entities
- audit activities

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Background

The Department of Agriculture, Water and the Environment regulates the export of plants and plant products to meet its international obligations to protect plant health and manage phytosanitary risks associated with international trade. This maintains the integrity of exported products and Australia’s reputation internationally as a reliable exporter. Regulatory requirements for the export of prescribed plants and plant products are outlined in the Export Control Act 2020 (the Act), Export Control (Plants and Plant Products) Rules 2021 (the Plant Rules) and supporting departmental policy and instructional material. Under the Plant Rules, primary responsibility for meeting Australian and importing country requirements rests with entities external to the department such as exporters and the occupiers of registered establishments involved in the preparation of prescribed plants and plant products for export. Control points are placed in the export system, such as the registration of establishments involved in the preparation of plants and plant products for export (registered establishments) and the appointment of Authorised Officers (AOs) for inspection of plants and plant products and transport units. One of the department’s roles in the regulation of the export system is to provide assurance that these control points are effective, and the goods meet requirements. This role is undertaken by the Audit and Assurance Group (AAG) within the Compliance Division of the department. AAG achieves assurance through conducting audits of registered establishments, horticulture export accredited properties and third-party AOs to ensure that the required standards are being met.

Purpose

The purpose of this document is to provide a framework for monitoring the compliance of registered establishments, third-party AOs and horticulture export accredited properties in meeting the outcomes, prerequisites, requirements and departmental policies and standards relating to exporting plants and plant products. This guideline provides overarching principles for the development, implementation, management and improvement of these audit activities.

Audit principles

Management

Audits will be managed and implemented to provide objective and relevant assurance, and contribute to the effectiveness and efficiency of governance, risk management, and control processes. The auditors who are part of the audit activities must demonstrate conformance with the APS Code of Conduct and legislative requirements. Audit activities will be structured and managed in a way that ensures the department:

- is accountable, transparent, consistent and fair in dealings with export clients
- compliant with legislative requirements under the Act and the Plant Rules
- provides an environment that is responsive to changing risks and has a capacity to minimise the regulatory impact on compliant clients
- works towards the achievement of a ‘shared responsibility’ philosophy with clients in delivering outcomes
- engages with clients to encourage compliance with export regulation
- implements regulatory response measures that are proportionate to the degree of non-compliance.

**Compliance Model**

Audit frequency and intervention will be designed based on the department’s broader compliance model. This compliance model assumes that most stakeholders will comply, or try to comply, with their obligations. The department recognises that it is not appropriate to respond to all compliance issues in the same way. However, the department acknowledges a need for strong enforcement techniques to deal with non-compliance where serious and deliberate fraud occurs. The department’s objective is to encourage compliance. The department’s best practice approach to implementing compliance programs is based on the Braithwaite responsive regulation model. The diagram below represents the Braithwaite responsive regulation model, where the volume occupied by each layer indicates the effort and resources that should be allocated to each function.

![Braithwaite responsive regulation model diagram]

**Continuous Review and Improvement**

Information collected via the audit activities provides a valuable feedback loop for continual improvement of audit policies and instructional material.

**Governing materials**

All relevant legislation, internal obligations, standards and policies (including, but not limited to those listed below) should be followed in addition to this guideline.

Relevant legislation includes the:

- *Export Control Act 2020*
• Export Control (Plants and Plant Products) Rules 2021.

Relevant Australian Public Service and departmental policies include:

• APS Values and Code of Conduct
• Departmental Charging Guidelines 2020.

Relevant Plant Export Operations instructional material, including:

• Guideline: Management of plant export registered establishments
• Guideline: Audit of plant export registered establishments
• Guideline: Management of horticulture export accredited properties
• Guideline: Audit of horticulture export accredited properties
• Guideline: Maintenance of phytosanitary security for horticulture exports
• Guideline: Management of horticulture export accredited properties
• Guideline: Quality System Recognition of highly processed plant products for export
• Guideline: Audit of plant export authorised officers
• Methyl bromide fumigation methodology
• Reference: Performance standards - plant export registered establishments
• Reference: Performance standards for farms
• Reference: Performance standards for packhouses
• Reference: Performance standards for crop monitors
• Reference: Performance standards – onshore cold treatment – horticulture exports
• Reference: Performance standards – methyl bromide fumigation – horticulture exports
• Reference: Performance standards – sulfur dioxide/carbon dioxide fumigation – horticulture exports
• Reference: Performance standards – irradiation treatment – horticulture exports
• Reference: Performance standards – vapour heat treatment – horticulture exports
• Reference: Performance standards – dimethoate dipping – horticulture exports
• Reference: Performance standards – plant export authorised officers.

Manual of Importing Country Requirements (Micor):

• Importing country requirements including Protocols
• Protocol Work Plans.

External guidance includes:

• the International Plant Protection Convention.

Audit entities

AAG currently audit three entities under this guideline. These are:

• registered establishments preparing plants and plant products for export
• Third-Party AOs for Plant Exports
• Horticulture export accredited properties.
Audit activities

Authorisation and Accreditation

AAG auditors are authorised to perform audits under part 1 chapter 9 of the Act. Auditors will undertake specific training to ensure consistent audit practices across Australia.

Administration

The Assistant Secretary, AAG, holds the overall responsibility for Plant Export Operations audit functions. Responsibilities of the Assistant Secretary include:

- ensuring adequate resources are available within AAG to effectively schedule and complete audits in a timely manner
- ensuring staff have the appropriate skills, knowledge, training and/or qualifications for the types of audits conducted
- ensuring appropriate measures are taken to achieve and maintain consistent audit standards across all regions
- ensuring resource levels are reviewed annually in line with the financial year budget cycle.

AAG directors oversee audit activities. Responsibilities of AAG directors include:

- scheduling and assigning auditors to audits
- assessing risk to determine unannounced audits
- ensuring timely and effective completion of audits
- ensuring auditor compliance to relevant policies and procedures
- reviewing appeals against audit results
- determining escalation of adverse audit results for sanctioning.

Audit Frequency

All entities will be subject to periodic audit activities as stipulated within the separate audit guidelines for registered establishments, horticulture export accredited properties and third-party AOs.

Audit Schedule

AAG will schedule registered establishment and AO periodic audits prior to each quarter of a financial year. Non-periodic audits will be scheduled by AAG based on the compliance model. Horticulture export accredited properties are scheduled seasonally.

Document management

To ensure consistency, Plant Export Operations will maintain controlled templates of the following documents:

- Registered Establishment audit checklist
- Authorised Officer Compliance audit checklist
- Authorised Officer Demonstration audit checklist
- Horticulture export accredited properties audit checklists
- Corrective Action Requests registered establishments
- Advisory Finding Requests
- Audit Reports registered establishments
Guidance tools

Performance Standards

During audits, entities are assessed for compliance against a defined set of performance standards. Performance standards are derived from documents such as relevant legislation, and Plant Export Operations guidelines, work instructions and standards, and are used to determine whether entities and individuals are compliant with these documents.

Checklist items

Performance standards are organised into a set of ‘checklist items’. Checklist items are the specific areas an auditor will focus on within an audit. All checklist items are to be covered during an audit to ensure that entities are assessed comprehensively and consistently.

Activities

Checklist items are further arranged into ‘activities’. Some or all activities will be covered during an audit to ensure that entities are assessed comprehensively and consistently.

Non-compliance

Plant Export Operations intervention is aligned to the level of risk and level of compliance. Serious non-compliances found during audit may lead to variation, suspension or revocation of the establishment’s registration, the property accreditation, the AOs instrument of appointment, or civil or criminal penalties. Less serious non-compliance issues are dealt with using Corrective Action Requests (CARs) registered establishments.

For new registered establishments, registered establishments applying to vary their registration and horticulture export accredited properties, advisory findings will be issued for any non-compliances identified at the initial audit prior to approval.

Audit reports

The auditor(s) will produce a comprehensive report upon completion of the audit. The report must be submitted to the entity/individual at completion of the audit or within 10 working days of completion, including all corrective actions and issues raised.

Validation and moderation

The Plant Export Operations audit data is used for analysis and system improvements. The captured data includes:

- the number of corrective actions issued
- the number of audits conducted within each quarter
- the number of corrective actions with extensions
- the audit results for each type of entity regulated
- the number and nature of audit non-compliances for AOs.

Fee for service

The audit of registered establishments, horticulture export accredited properties and third-party AOs is currently subject to fee for service. For further information about these fees please refer to the Departmental Charging Guidelines 2020.

Document information

The following table contains administrative metadata.
Version history

The following table details the published date and amendment details for this document.

<table>
<thead>
<tr>
<th>Version</th>
<th>Date</th>
<th>Amendment details</th>
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<tbody>
<tr>
<td>2.0</td>
<td>April 2012</td>
<td>Major changes to replace references to AQIS, AAOs and to include Auditor rotation and Quality Assurance Panel sections.</td>
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<tr>
<td>2.1</td>
<td>August 2012</td>
<td>Include AOs in policy.</td>
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<tr>
<td>2.2</td>
<td>February 2013</td>
<td>Update CAR descriptions, Insert appendix C.</td>
</tr>
<tr>
<td>2.3</td>
<td>May 2013</td>
<td>Include updates from Hay and Straw working group, update Appendix A to reflect new activity list, inserting score for critical activity failures,</td>
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<tr>
<td>2.4</td>
<td>June 2013</td>
<td>Alter scoring and ratings and other minor updates</td>
</tr>
<tr>
<td>2.5</td>
<td>August 2013</td>
<td>Minor grammar corrections, inserted paragraph for critical activity failures, substituted Surveillance audits with Unannounced audits. Inserted sentence re audit frequency for seasonal establishments.</td>
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<tr>
<td>3.0</td>
<td>February 2014</td>
<td>Major changes to align policy and performance standards</td>
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<tr>
<td>4.0</td>
<td>December 2016</td>
<td>Minor changes to align policy with new Authorised Officer audit terminology, include protocol entities and reflect formation and new responsibilities of the audit services group.</td>
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