

# RISK MANAGEMENT AT CUSTOMS

Risk management is not new to the Australian Customs Service. It has long been an accepted means of finding breaches of regulations or other illegal activities. But Customs took a pre-eminent position in the public sector with the introduction in March 1996 of a formal corporate risk management program based on the world's first risk management standard, developed in Australia and New Zealand

This model of risk management turns previous methods into a more logical and systematic framework. Risk management techniques are being progressively introduced in Customs as staff groups are trained and risk management assessments made. An Internal Audit Committee is a key mechanism for reviewing risks in Customs and its latest strategic risk assessment is the basis of the 1997-98 Audit Plan.

Customs is better able to target resources so that effectiveness and efficiency are maximised. This is a top priority because, for any customs organisation, it is not practicable or even possible for all international cargo or travellers to be checked.

The benefits to Customs include more accurate selection of high risk transactions, better resource allocation, and saving time and money. For Australian industry, the improvements translate into faster trading, reduced business costs and thus contribute to national economic well-being.

The objectives of Customs Risk Management Policy include:

- Maintaining the integrity of services.
- Safeguarding the Australian people and Commonwealth assets.

- Ensuring all Customs staff assume appropriate responsibility for managing risk.
- Enhancing ability to deliver government policy and achieve Customs performance aims in timely, efficient and effective ways.

## The Australian Customs Service Risk Management Model

Customs Risk Management Policy, launched in March 1996, is based on the Australian-New Zealand Standard for Risk Management (AS/NZS 4360) and the Commonwealth's Management Advisory Board and Management Improvement Advisory Council *Guidelines for managing risk in the Australian public service*. The model for managing risk involves a six-stage cycle (fig. 1).

Customs risk management policy recognises risk management as a vital part of every officer's duties and provides training for staff to help them achieve results. Officers can gain formal qualifications through accredited training by tertiary education institutions which can count towards an award such as a university degree.

