

Ten Insights into Customs Modernization and Border Processing Solutions: Part 2



A Guide to Creating a Truly Modern
Customs Programme

Introduction

Part 1 of this article shed some light on some of the insights that TTEK have seen firsthand that make up of technical solutions supporting the modernization of Customs Administrations and border management.

In Part 2, we are shifting our focus to look at some of the critical policies and processes that are required to be in place to support modernization efforts.

It is important to understand that this list is not all-inclusive and is intended to highlight how our firsthand experience has revealed some of the more common important pieces that the most modern administrations have in place.

To learn about the first five insights in Part 1, click [here](#).

Insight 6: Re-engineering the traditional border management approach.

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Insight 9: A comprehensive Integrity and Professional Standards programme.

Insight 10: The lack of change management and business process re-engineering.

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Insight 6

Re-engineering the traditional border management approach.

One critical indicator of an advanced modern Customs programme is the overall approach to how goods are processed at the border upon arrival into a country. Leading countries have transformed the border process away from a traditional 'gatekeeper' approach towards one that uses advanced data and increased visibility into the trade chain to make risk-management based decisions relating to health, safety and security at the border.

This greater visibility into the trade chain then allows Customs Administrations to focus their efforts on the smaller percentage of high-risk entities. They can do this while committing to truly facilitating processing by well-known and low risk people and goods who will experience a seamless border service. At the same time, processes relating to revenue collection and trade compliance verification are conducted post arrival and not at the border. This results in a greater facilitation of trade, less congestion and enhanced resource utilization.

Insight 7

Lack of formal directives and Standard Operational Procedures.

A common gap that we see with Customs Administrations struggling to improve their governance framework and overall border processing performance is the lack of formal updated operational policies and standard operating procedures.

In some cases, administrations have not invested in the time and expertise required to document detailed procedures or existing operational directives. This gap results in


inconsistent and unpredictable front-line border processing, a Customs workforce unprepared to deliver modernization efforts, and negative impacts on service delivery.

Insight 8

The evolution of a Post-Clearance Audit (PCA) programme.

The WCO and leading administrations have concluded that the most effective way to verify trade revenue compliance, detect revenue leakage and promote border trade facilitation is to commit to a fully functional PCA programme that pushes most or all of this activity out, away from the border, to a post release approach.

This one is simple: relying on importer books and records during a professional audit approach is more effective to verify trade / revenue compliance than trying to do it in 'real-time' at the border based on Customs declarations and cargo manifests. At the same time, this allows valuable uniformed Customs Officers to focus on health, safety and security at the border while improving release times and border congestion.



In our experience, what separates leading countries from others is the complete commitment to PCA, and trust in this approach.

Insight 9

A comprehensive Integrity and Professional Standards programme.

Solving systemic or even 'one-off' integrity issues is one that both developing countries and even the most modern Customs administrations struggle with.

It can be a major factor in preventing growth, success and gaining public or private sector trust. TTEK's experience is that the issue of organization integrity is not one that can be addressed successfully through a few individual or ad-hoc measures such as the occasional training course or awareness session for employees.

There are many reasons why counties struggle to effectively implement a modern Integrity and Professional Standards programme within their Customs administration.

We have seen specific and common gaps that developing countries face with their current attempts at address this problem.

Four of the most common gaps:



Customs modernization requires a programmatic approach that makes an organizational level commitment professional standards and integrity.

Insight 10

The lack of change management and business process re-engineering.

While any administration's transformation efforts involve implementing leading edge technological solutions, it is common for these projects to lack the required focus on change management and business processes re-engineering.

In order for new systems and tools to be used effectively and to be incorporated correctly, Customs staff, management, clients and partners need to be prepared for the change through training, knowledge transfer and open communications.

In addition, new technology solutions must be accompanied by business process re-engineering that pushes outdated approaches to border management towards more risk-based processes and policies that move away from a gate-keeper model.

Simply dropping a new system or technical solution into an organization with antiquated processes does not work.

This concludes the **Ten Insights into Customs Modernization and Border Processing Solutions** series. Contact us today for Part 1, or to discover more about how TTEK can assist your customs modernization programme.



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