



## Section 3

# Performing Verification

### 3.3 PRE-PLANNING PHASE

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### 3.3 Pre-Planning Phase

Pre-Planning takes place prior to the CVO starting their work on the verification process. The methods and level of pre-planning will vary both by region and by type of verification. The objective is to work from national and regional priorities, in some cases the CVO selects the clients for verification in other cases the client is selected by the Compliance Management Division in headquarters.

As a general rule, the following situations will apply:

<b>Client Selection done by:</b>	<b>Multi-Program or Single Program On-site</b>	<b>Single Program Desk Verification</b>
<b>Scenario A:</b>  HQ or Region has identified the priority. CVO is given priority commodity or issue and is required to select specific clients.	<p>CVO responsible for running reports to identify clients. CVO starts planning process by running FIRM to select clients and then using FIRM to obtain key transaction details.</p> <p>CVO to check CCS to see whether selected clients are fully approved CSA participants and date of activation. Refer to Section 4.4 page 8, for details on how to proceed.</p> <p>CVO should request entry type when running FIRM reports on fully approved CSA clients.</p>	<p>CVO responsible for running reports to identify clients.</p> <p>CVO starts planning process by running FIRM to select clients and then using FIRM to obtain key transaction details.</p> <p>CVO to check CCS to see whether selected clients are fully approved CSA participants and date of activation. Refer to Section 4.4 page 8, for details on how to proceed.</p> <p>CVO should request entry type when running FIRM reports on fully approved CSA clients.</p>
<b>Scenario B:</b>  Regional Targeting Unit or Manager has selected the client.	<p>CVO is given specific client for verification, however, they need to do FIRM analysis to select transaction data only.</p> <p>CVO to check CCS to see</p>	<p>CVO given specific client for verification, however, they need to do FIRM analysis to select transaction data only.</p> <p>CVO to check CCS to see whether selected client is a</p>





<b>Scenario C:</b>  Compliance Management Division	whether selected clients are fully approved CSA participants and date of activation. Refer to Section 4.4 page 8, for details on how to proceed.	fully approved CSA participant and date of activation. Refer to Section 4.4 page 8, for details on how to proceed.
	CVO should request entry type when running FIRM reports on fully approved CSA clients.	CVO should request entry type when running FIRM reports on fully approved CSA clients.
	CVOs are provided with the company information and list of transactions to be verified.	CVOs are provided with the company information and list of transactions to be verified.
	CVO responsible for running FIRM to complete transaction information and develop client profile.	CVO responsible for running FIRM to complete transaction information and develop client profile.
	CVO to check CCS to see whether selected client is a fully approved CSA participant and date of activation. Refer to Section 4.4 page 8, for details on how to proceed.	CVO to check CCS to see whether selected client is a fully approved CSA participant and date of activation. Refer to Section 4.4 page 8, for details on how to proceed.

Regions will determine who carries out the pre-planning processes. The information gathered during the pre-planning phase must be documented and contained in the client file. Information gathered during the pre-planning phase is used to start building the client profile in the Verification Planning Memorandum.





## ***Key Steps in Pre-Planning***

### **Pre-Planning**

- 0.1 Research and confirm commodity information via basic FIRM report and Internet research.
- 0.2 Send notification e-mail to Investigations, Client Services and Customs Self Assessment prior to opening file.
- 0.3 Confirm client location, commodity information, location and availability of records, via phone call to potential client
- 0.4 Confirm viability with manager.





## Pre-Planning, Step-By-Step

The purpose of pre-planning is to examine the viability of the client, along with other qualifying parameters, and to determine the merit of proceeding with the verification.

### 0.1 Research and confirm commodity information

#### ASSIGNING THE WORK TO THE CVO

		On-Site	Desk Verification
		O.S.	D.V.
0.1	<b>Scenario A:</b> <b>If the CVO is required to identify potential clients</b>		
	Run FIRM reports to establish a list of potential clients who fall within the priority area, for the specified time period. (If time period known).	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	0.1.1 a) Important: set the correct thresholds in FIRM when setting up a query. (See <b>Exhibit A, Firm Extraction Guidelines</b> ). Also see Section 2, Compliance Verification for the Reassessment Policy relating to section 32.2 of the <i>Customs Act</i> and information concerning the fiscal period for verification purposes.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	<b>Scenario B:</b> <b>If the CVO already has a potential client</b>		
	0.1.1 b) Research and confirm commodity information, via basic FIRM report and Internet research. Run FIRM reports to establish import activity for priority area. FIRM reports should cover fiscal period of the client, if known. (See <b>Exhibit C, Client Data Summaries (FIRM).</b> )	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
⇒ <i>This includes, but is not limited to: Office Number; Accounting Month; Accounting Date; Client Name; Business Number; HS Chapter; HS Heading; Tariff Code; Value for Duty; Duty; Transaction Number.</i>			





<p><b>Scenario C:</b></p> <p><b>If the CVO already has a potential client and transaction numbers</b></p> <p>0.1.1 Complete import data on transactions provided by running a FIRM report. (See <b>Exhibit E, FIRM Extraction Guidelines for Measurement – On-site Verifications</b> or <b>Exhibit F, FIRM Extraction Guidelines for Measurement – Desk Verifications</b>)</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<p>0.1.2 Check for templated FIRM reports; these are often available in the regions to assist the CVO in extracting data. Check, importer profile, in CCS to verify importer of record, business numbers, location of company, contact name and phone number.</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>⇒ <i>Pay attention to the RM extension numbers, to ensure the correct parent or subsidiary division has been selected.</i></p> </div>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<p>0.1.3 Use FIRM, if sample is not being drawn from client's records, to extract a specific sample of transactions, which will form the basis for requesting further information from the client. (See Execution Section 3.5 step 7.2, for sampling procedures) This is usually done after you have made the initial phone call to the client.</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<p>0.1.4 Conduct Internet research, to verify commodity, head office and branch locations, contacts etc.</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<p>0.1.5 Determine if the client has had an on-site verification performed within the last two fiscal years.</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<p>a) If not, then proceed to 1.2</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<p>b) If yes, consult with regional management as to whether it is appropriate to perform the verification.</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<p>0.1.6 Determine if client is a CSA applicant/client, (See Section 4.4, CSA Importer Verification Procedures, page 8) to determine how to proceed.</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>0.2</b> Send notification e-mail to Investigations, Client Services, and Customs Self Assessment (and other relevant stakeholders) prior to opening file, to ensure there is no ongoing government activity, which could impede or negate the initiation of verification of a potential client. (See <b>Exhibit B, Notification Checklist</b>)</p> <p>*Note: This type of activity may be performed by target and monitoring officers in some regions, therefore follow regional</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>





procedures for this type of activity.

⇒ *Notification should contain business number including RM account, client name, company address, commodity sector information and contact name and phone number of the CVO.*

**0.3** Confirm client location, commodity information, location and availability of records, via phone call to potential client.

CSA Client: This information should be obtained from the CSA Compliance Manager.

(See Exhibit D, Client Contact Information Sheet)

\*Note: This step initiates the client profile and this exhibit is to be included in the file.

\*\*Note: If unable to reach the company via telephone, discuss the situation with your manager.

⇒ *Verify the location of the head office with the client. Obtain the name and title of the senior company contact (normally the client's Controller or Vice-President) to which the formal notification letter will be sent. Confirm that the client imports the commodity identified for verification. Ensure that the client maintains records related to the company on-site and verify the fiscal year of the client. Confirm the existence of any branches and divisions and determine the location of the records for these.*

*Confirm the company year-end date for planning purposes.*

**0.4** Confirm decision to proceed with verification with the manager.

0.4.1 Commence recording time spent on the file.  
Report time by both phase and program.

⇒ *A decision of whether or not to proceed with the file is rendered based on viability, number of transactions, value for duty of commodity, and location of records.*





## ***Pre-Planning, At A Glance***

### **Pre-Planning**

<b>Objectives</b>	<b>Procedures</b>
<ul style="list-style-type: none"><li>• To identify potential clients or research identified client. Confirm importations of priority commodity or assigned transactions.</li><li>• Notify all stakeholders.</li><li>• Confirm client information, including fiscal year-end and location of records.</li><li>• Determine value of proceeding with the verification.</li></ul>	<ul style="list-style-type: none"><li>• Run FIRM to identify clients or complete import data for assigned client.</li><li>• Run FIRM for commodity area or assigned transactions.</li><li>• E-mail to stakeholders.</li><li>• Call client and confirm: location of records; whether company is still in operation; fiscal year end; who to deal with; phone and fax numbers.</li><li>• Review file information with manager.</li></ul>







## Pre-Planning Phase

### *Accompanying Documentation and Templates*

<b>EXHIBITS</b>	<b>Version Date</b>
A. FIRM Extraction Guidelines	Version 1.3 / February 28 2007
B. Notification Checklist	Version 1.3 / February 28 2007
C. Client Data Summaries FIRM	Version 1.3 / February 28 2007
D. Client Contact Information Sheet	Version 1.3 / February 28 2007
E. FIRM Extraction Guidelines for Measurement On-Site Verifications	Version 1.3 / February 28 2007
F. FIRM Extraction Guidelines for Measurement Desk Verifications	Version 1.3 / February 28 2007

