



## DEFENCE EXPORT CONTROLS **AUDIT FACTSHEET**

There are two types of audit that can occur, depending on the circumstances

### 1 Entity Self-Audit

An entity self-audit can be completed by the permit holder to ensure organisations comply with Defence Trade Controls Act 2012. Should an issue arise (such as a potential breach of legislation) best practice is to notify DEC Compliance as soon as possible with mitigating circumstances to assist in the support provided.

### 2 Desktop Audit

A Desktop Audit is conducted by Defence Export Controls (DEC) to check historical exports and the permit's amendments, details and compliance history to determine potential breaches or further reporting is required.

## SELF-AUDIT PRINCIPLES

Defence Export Controls offers easy-to-follow guidance to help organisations conduct voluntary internal self-audits.

**Regular self-audits** involve regulated entities reviewing their internal documentation to confirm they meet record-keeping and permit requirements which you can provide to Defence.

Self-audits are voluntary and cannot be enforced by Defence Export Controls.

### Self-Audit Steps

- ➔ **Access templates:** Use the Self Audit Checklist available through the My Australian Defence Exports (MADE) portal.
- ➔ **Conduct the Self-Audit:** Review all relevant information from Defence Export Controls, including compliance resources, and review internal records.
- ➔ **Notify DEC:** If a potential breach is identified, notify DEC through the MADE portal using the Voluntary Disclosure template.

### Consequences of Non-Compliance

- ❗ Non-compliance can result in criminal charges. If found guilty of an offence, penalties of imprisonment and/or fines can be imposed.
- ❗ Publicity resulting from non-compliance can lead to significant reputational damage.
- ❗ Regulatory investigations and sanctions can disrupt business operations.

### Red Flag Indicators

What to look for in controlled activities

- Freight Forwarders as Final Destination:** Used to hide the true recipient or purpose.
- Refusal to Disclose End-Use:** Could indicate potential misuse or diversion.

- Business Mismatch:** Suggests the buyer may not be the actual end-user.
- Suspicious Shipping Routes:** May signal efforts to bypass export controls.
- Unusual Payment Methods:** Can indicate attempts to avoid transaction records.

### Contact us

-  [defence.gov.au/business-industry/export/controls](https://defence.gov.au/business-industry/export/controls)
-  [exportcontrols@defence.gov.au](mailto:exportcontrols@defence.gov.au)
-  1800 DEFENCE

