

1 Amend 2 Cal. Code Regs., Section 18998 to read:

2 **§ 18998. Commission Audits and Investigations.**

3 (a) To the extent applicable, Commission staff shall apply the same auditing guidelines,
4 standards, and scope when performing audits pursuant to Section 90006 as the Franchise Tax
5 Board when performing audits pursuant to Section 90001. These guidelines, standards, and scope
6 are enumerated in Regulations 18994-18996.

7 (b) Audits and investigations conducted pursuant to Sections 90003 or 90008 shall be
8 undertaken at the direction of the Chief of Enforcement and conducted consistent with the
9 following standards:

10 (1) Auditors and investigators shall have adequate training and proficiency for the tasks
11 required.

12 (2) Auditors and investigators shall maintain an independent mental attitude free of
13 personal or political bias when conducting their work.

14 (3) Auditors and investigators shall use due professional care in conducting their work.

15 (4) Auditors and investigators shall be properly supervised.

16 (5) All records and other evidence shall be obtained through legal means and properly
17 documented.

18 (6) The scope of audits and investigations shall not exceed that which is permissible by
19 law.

20 Note: Authority cited: Section 83112, Government Code. Reference: Section 90000 et seq.,

21 Government Code