

(Regulations of the Fair Political Practices Commission Title 2, Division 6, California Code of Regulations.)

**§ 18995. Standards and Guidelines for Auditing Statements and Reports.**

In addition to the requirements of 2 Cal. Code Regs., Section 18994, audits conducted pursuant to Government Code Section 90001 shall meet the following standards:

(a) General.

(1) The audit is to be performed by a person or persons having adequate technical training and proficiency for the tasks required.

(2) In all matters relating to the audit work, the audit organization and the individual auditors shall maintain an independent mental attitude.

(3) Due professional care is to be used in conducting the audit work and in preparing the report.

(b) Field Work.

(1) The work is to be adequately planned.

(2) Field auditors and assistants are to be properly supervised.

(3) An evaluation is to be made of the system of internal control to assess the extent it can be relied upon in the determination of the nature and extent of the audit tests to be applied.

(4) Sufficient, competent evidence, including source documents, is to be obtained through inspection, observations, inquiries, and confirmations to afford a reasonable basis for an opinion regarding the filing under examination.

(5) A review is to be made of compliance with legal and regulatory requirements.

(c) Reporting.

(1) At the completion of every audit, written audit reports are to be submitted to the Fair

Political Practices Commission and to officials listed in Government Code Section 90004 as well as to the filer and be made available for public inspection.

(2) Reports are to be issued on or before the dates specified by law or regulation and, in any event, as promptly as possible to make the information available for timely use by the Fair Political Practices Commission and other enforcement agencies, as well as by the filer and the public.

(3) The content of each report will include:

A. A clear explanation of the scope of the audit.

B. An expression of the auditor's opinion on whether the information contained in the filings is presented fairly and in conformity with the provisions of the Act and related rules and regulations.

C. Explanations of instances of material noncompliance with legal or other regulatory requirements.

D. Relevant responses made by filers and, if appropriate, the auditor's comments on those responses.

(4) Report preparation, review and processing procedures should be applied to produce reports that contain no omissions of material findings or errors of fact, logic or reasoning.

(5) Findings shall be presented in an objective and unbiased manner and should include sufficient information to provide readers with proper perspective.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 90000, 90001, 90004 and 90007, Government Code.

## HISTORY

1. Change without regulatory effect renumbering former section 18916 to section 18995 filed 1-

30-95 pursuant to section 100, title 1, California Code, of Regulations (Register 95, No. 5).

2. Editorial correction of History 1 (Register 95, No. 13).

3. Editorial correction of subsection (c)(3)D. (Register 96, No. 43).

4. Change without regulatory effect amending section heading and first paragraph filed 2-23-99 pursuant to section 100, title 1, California Code of Regulations (Register 99, No. 9).