



MODEL AUDIT SAMPLING AUTHORIZATION STATUTE
And
ACCOMPANYING REGULATION

Statute

Audit Procedures.—

For purposes of administering this act, the Department may, when examining returns or records and making assessments or refunds, use statistical sampling techniques or other sampling techniques.

Regulation

Audit Procedures.—

1. For purposes of administering this act, the Department is authorized to use judgmental, probability and statistical sampling techniques.

a. Judgmental sampling means any approach to sampling where the sample is selected based on convenience and judgment, showing characteristics where some elements of the population are subjectively favored over others, or where the chance of selection is unknown.

b. Probability sampling means any approach to sampling where the sample units are selected into the sample based on known probabilities, and includes any sample using a method in which every element of a finite population has a known but not necessarily equal chance of being selected.

c. Statistical sampling means any approach to sampling that has the following characteristics:

- i. Use of probability sampling techniques to select the sample; and
- ii. Use of probability theory to evaluate the sample results, including measurement of sampling risk.