

# Sampling Methodology

## **A) Introduction:**

This section describes the sampling methods for the SSTGB Audit Core Team. The objective of the Audit Core Team is to determine the level of compliance of the CSP to specified sections of the contract with the Governing Board.

The first focus of any sampling plan is to determine the population and sampling unit. For the purposes of this section, the sampling unit will be defined, by the audit core team. For example, the unit could be the item description that is passed from the seller to the CSP. The results of the sample will be used as part of the core team's report to the Governing Board and the Member States, and not be used to issue tax assessments. Tax assessments will be a result of the individual state's review.

Before initiating any sample, the audit core team should fill out the Sample Plan. This plan should include, but not limited to:

- Audit Scope
- Type of Sample
- Sample Population
- Sample Units
- Sample Objective

## **B) Simple Random Sample**

The audit core team may perform a simple random sample of items of interest. The results of this sample shall be part of the core team's reports. The sample should be pulled using approved statistical software.

A simple random sample is based upon all units of a designated population. The sample allows all the units to have the same chance of selection. The core team will determine the population and the number of units to sample.

## **C) Software**

Approved statistical sampling software shall be used. The software may be ACL, IDEA, RAT-STATS, TSEP, or other statistical sampling software that has been used in sales and use tax auditing.