

10 CONSIDERATIONS WHEN RESPONDING TO REQUESTS FOR INFORMATION OR IN-PERSON AUDITS

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Responding to Requests for Information

- 1. If possible, speak with counsel before providing information.** When asked to provide detailed information about your operations, suppliers, and employees—to the extent feasible—you should review the requests with in-house or outside counsel to determine if any information you should be withheld or redacted pursuant to California and federal laws or confidentiality agreements.
- 2. At minimum, be mindful of “sensitive” information.** If it is not feasible to consult with counsel, consider whether documents or information you are asked to provide will contain potentially sensitive information such as employee social security numbers, personal phone numbers or email addresses, employee-specific wages, or information related to requests for bereavement leave. In addition, consider reviewing your contracts with suppliers prior to disclosing their identity or contact information to consider whether any confidentiality provisions may apply.

Responding to Audit Requests

- 3. Ask questions and agree on parameters in advance of any in-person audits.** Upon any audit request—and in advance of an audit taking place—you should request a copy of the audit plan; confirm details about timing, scheduling, and location(s); ask about scoring or grading criteria; confirm expected timeline for results; and confirm opportunities to respond to or appeal results. If you are informed an in-person visit is for informational purposes and is not a formal audit, consider confirming in advance, and in writing, whether there could be any potential commercial impacts (e.g., de-listing) as a result of the visit.
- 4. Request assurances in writing in advance of providing sensitive business information.** When providing detailed business information, it is reasonable to ask for written assurances that the information will be kept confidential and treated as such.

5. **Ask about an auditor's experience and credentials in advance.** An auditor's competency is critical. That is why, for example, the Institute of Internal Auditors' [code of ethics](#) requires that auditors "[s]hall engage only in those services for which they have the necessary knowledge, skills, and experience" or why California regulations require "[t]he audit is to be performed by a person or persons having adequate technical training and proficiency for the tasks required" for certain audits that the state undertakes to help ensure fair political practices. See [Cal. Code Regs. tit. 2, § 18995](#). Asking about the auditor's prior experience, knowledge, and skills relevant to the wine industry can help establish their level of competency in auditing practices within the industry and identify potential issues.
6. **Understand the process for appealing or responding to any adverse outcomes prior to an audit.** In advance of any audit, it is helpful to get clarity and confirmation in writing about how one might contest, appeal, or respond to an adverse outcomes or findings. Be sure to ask the auditor whether there are any deadlines for responding, what starts the clock on those deadlines, whether there is a formal process and form for responding, and if there will be opportunities to offer supplemental information or otherwise address any adverse findings.

During an Audit

7. **Avoid feeling or being rushed.** If you have serious concerns about whether certain information is potentially sensitive or whether an auditor's request is appropriate, it is reasonable to request more time until you have time to speak with counsel.
8. **Hold auditors to agreed-upon terms and parameters during the audit.** If you have agreed to certain terms and parameters with the auditor in advance, it is reasonable to suggest that the scope of the audit be limited to only those terms and parameters during the audit.
9. **Take careful notes during an in-person audit and have more than person present.** In-person audits can be hectic and it is easy to overlook or forget seemingly minor details that may be relevant or important in the future. It is a good practice to take careful notes and to have at least two people present throughout an audit to help ensure an accurate recollection and record of the audit. If things are moving too quickly it is always reasonable to ask an auditor to slow down so you may take good notes.

After an Audit

10. Follow-up after an audit. It is reasonable to follow-up with the auditor after any audit for many reasons including with questions (e.g., questions you intended to ask before or during but overlooked), concerns, inquiries about next steps, or to offer supplemental information. You may also consider following up internally to speak with employees or others who were interviewed to find out the questions that were asked and to learn more about their experiences.