



Ref. No.:

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CORE CONCEPT OF PRINCIPLE OF AUDITING

Audit Sampling

Audit sampling means the application of audit procedures to less than 100% of the items within an account balance or class of transactions to enable the auditor to obtain and evaluate audit evidence about some characteristic of the items selected in order to form or assist in forming a conclusion concerning the population.

Need and Importance of Sampling:

The need for audit sampling arises from:

- The increasing complexities in business,
Auditor's time involved and
- The volume of transactions involved in the business

Purpose of Audit Sampling:

- to obtain an evidence,
- to fulfill the audit objectives set by the auditor
- which enables the auditor to test the validity and accuracy of the transactions.

Scope and Objective of Audit Sampling

The scope of sampling is determined by audit objectives, audit evidence and audit procedures. The purpose of this standard is to establish standards on the design and selection of an audit sample and the evaluation of the sample results. This AAS applies equally to both statistical and non statistical



sampling methods. The application of either of the methods provides sufficient appropriate audit evidence.

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Stages in Audit Sampling

1. Planning the Sample

When planning how to carry out the sampling the auditor should consider the following: