Audit Sampling

Accounting & Finance

Testing a subset and concluding about the whole.

Sampling approaches.

Method	Selection	Suits
Random	Every item equally likely	Homogeneous populations
Systematic	Every nth item	Ordered populations
Monetary unit	Probability by value	Overstatement testing
Haphazard	No conscious bias	Small, non-statistical tests
Block	Consecutive items	Rarely appropriate alone

Sampling risk is the chance the sample is unrepresentative. It falls as sample size rises, but never reaches zero.