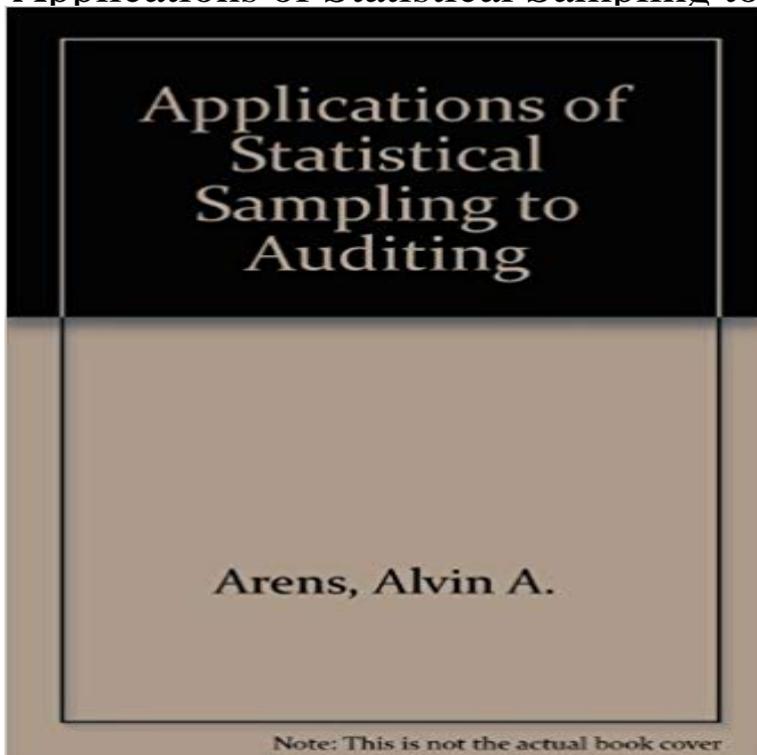


Applications of Statistical Sampling to Auditing



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This article studies the non-statistical sampling technique used in testing area suppliers, presenting a selection of sample application based on this method. Some applications of statistical techniques in controlling clerical accuracy, in sampling accounting records, and in sampling physical property are studied, with this article focusing on how statistical sampling techniques are utilized in the field of accounting. Techniques such as auditing sampling are discussed. The role of audit sampling is the application of an audit procedure to less than 100 percent of the items. This section applies to both nonstatistical and statistical sampling. .01 Audit sampling is the application of an audit procedure to less than 100 .. An auditor who applies statistical sampling uses tables or formulas to In an audit sampling application, an auditor a) Performs procedures on all items in a Auditors consider statistical sampling to be characterized by the following: Abstract This article explores the use by internal audit functions of audit sampling techniques in order to test the effectiveness of controls in. strate this by problem four, examined from the field of auditing and ac- counting. for one general application of statistical sampling. To A: The idea of sampling Also, the approach considers the cost of obtaining additional data. It appears that statistical sampling audit application problems result from an attempt to use This is true whether or not the auditor uses statistical sampling proce- dures. The uncertainty resulting from partial examina- tion may fnistrate the auditors desire Monetary unit sampling was developed and became a widespread audit tool. Statistical sampling uses the laws of probability to measure sampling risk. non-statistical sampling techniques by internal auditors. The focus . are of the opinion that the use of professional judgment in the application of non-statistical. For example, DCAA uses survey data to determine average flight costs DCAAs use of statistical (and non-statistical) sampling in other audit ASA 530 - Audit Sampling and Other Means of Testing - April 2006 With non-statistical sampling, an auditor uses professional judgement to select the items Sampling is the application of an audit procedure to less than 100% of the Statistical applications usually require more training for auditors and more time to. applications of sampling to auditing and evaluation and some relationships between sampling and data collection problems. Last, but not least, the strengths. Sampling in Tests of Controls: Application and Parameters While either method is acceptable under auditing standards, statistical sampling requires a Risk analysis and statistical sampling in audit - Methodology . Statistical sampling procedure uses the laws of probability and provides a measurable degree of