

Audit Sampling Methodology for Internal Control Evaluations

Date: [Insert Date]

To: [Recipient Name]

From: [Your Name]

Subject: Audit Sampling Methodology for Internal Control Evaluations

Dear [Recipient Name],

As part of our ongoing internal control evaluations, we are implementing a systematic approach to sampling methodology to enhance the effectiveness of our audits. This letter outlines the sampling methodology we will employ during our upcoming audit phase.

1. Objective of Sampling

The primary objective of sampling in this context is to obtain sufficient evidence regarding the effectiveness of internal controls without examining each transaction in detail.

2. Sampling Methodology

We will utilize the following sampling methods:

- **Random Sampling:** Randomly selecting items from the population to represent the entire set.
- **Stratified Sampling:** Dividing the population into subgroups and sampling from each subgroup to ensure representation.
- **Judgmental Sampling:** Selecting items based on specific criteria deemed important for the evaluation.

3. Sample Size Determination

The sample size will be determined based on the following factors:

- Expected error rate
- Desired confidence level
- Population size

4. Procedures

The following procedures will be adhered to during the sampling process:

1. Define the population.
2. Select the appropriate sampling method.
3. Determine and document the sample size.
4. Conduct the sampling and analyze the selected items.
5. Document findings and conclusions based on the sampled evidence.

We appreciate your cooperation throughout this process. Should you have any questions or require further clarification on our sampling methodology, please do not hesitate to reach out.

Sincerely,

[Your Name]

[Your Title]

[Your Contact Information]