

# Audit Sampling Methodology for Substantive Testing

Date: [Insert Date]

To: [Insert Recipient Name]

From: [Insert Your Name]

Subject: Audit Sampling Methodology for Substantive Testing

Dear [Insert Recipient Name],

We are writing to outline the audit sampling methodology we will be employing for the substantive testing of [insert specific account or transaction]. This approach is designed to ensure the effectiveness and efficiency of our audit procedures while achieving sufficient audit evidence.

## Objectives

The primary objectives of our audit sampling methodology include:

- Obtaining an appropriate level of assurance on the financial statements.
- Identifying potential misstatements in the account balances or transactions.

## Sampling Method

We will employ a [insert type of sampling method, e.g., statistical or non-statistical sampling] approach. The sampling technique will include the following steps:

1. Define the population from which the sample will be drawn.
2. Determine the sample size based on the desired level of assurance and risk assessment.
3. Select the sample using [insert method of selection, e.g., random sampling or systematic sampling].

## Evaluation of Results

Upon completion of our substantive testing, we will evaluate the results by:

- Assessing the misstatement rate in the sample.
- Extrapolating the findings to the entire population.

## **Conclusion**

We believe this sampling methodology provides a robust framework for effectively conducting our audit procedures. Please feel free to reach out if you have any questions or require further details regarding our approach.

Sincerely,

[Insert Your Name]

[Insert Your Position]

[Insert Your Company Name]