



AUDIT SERVICES COMPARISON CHART

Auditors can perform a variety of attestation, assurance, or review services for their clients. In this chart, we compare and contrast three common services auditors perform.

	COMPILATION	REVIEW	AUDIT
What is it?	A basic summary of a business's financial statements. The auditors compile the financial records but will not seek to verify the accuracy of the data.	Based on a limited examination of a business's financial statements and limited inquiries to the organization's management team, auditors will seek to determine whether material modifications should be made for the financial statements to conform to applicable reporting standards (e.g., GAAP).	The systematic examination of a business's financial statements and thorough inquiries to the organization's management team. The auditors will seek to ascertain whether the financial statements are a fair reflection of the business's finances and whether they conform to the reporting framework (e.g., GAAP).
Does the CPA firm consider internal controls for risk assessment purposes?	No	No	Yes
Does the CPA firm assess fraud risk?	No	No	Yes, the CPA firm considers the risk to the extent that fraud was significant enough to produce a material misstatement
How much assurance does it provide about the accuracy of the financial statements?	None	Limited	Reasonable
Do auditors need to be independent?	No	Yes	Yes
Does the CPA firm issue an opinion on the fairness of the financial statements?	No	No	Yes
When should it be used (assuming it is not required)?	To assist management in presenting the financial information	To obtain some comfort that the financial statements need no material modifications to conform to reporting standards	To obtain external assurance that the financial statements are free from material misstatement