



What are Compilations, Reviews & Audits?

Compilation

To perform a **compilation**, accountants will collect a company's current financial information and organize it into financial statements and other supplemental schedules that are, in turn, given to the company's management. No assurance is offered. Accountants are not required to make inquiries or perform other procedures to corroborate or review the information supplied by management.

Review

A **review** involves performing inquiry and analytical procedures that provide the accountant with a reasonable basis for expressing limited assurance that there are no material modifications that should be made to the statements for them to be in conformity with generally accepted accounting principals. A review is substantially less in scope than an audit.

Audit

An **audit** gives reasonable assurance on the accuracy of the financial statements and their compliance with generally accepted accounting principles. The accountant expresses an opinion on the material presentation of the financial statements to the authority requesting the audit. Audits involve obtaining an understanding of internal control and assessing control risk, assessing fraud risk, tests of accounting records and of responses to inquiries by obtaining corroborating evidential matter, and certain other procedures ordinarily performed during an audit.