

*Auditing, Attestation, and Assurance Services*

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## Auditing, Attestation, and Assurance Services

Auditing, attestation, and assurance services are an important role of the auditing profession. An audit is an official examination of financial records and accounts of a business. Attestation services provide a determination about the reliability of an assertion from another party usually performed by a certified public accountant. Assurance services provide the certified public accountant with important information for the decision-making process. Discussed within this paper team A will compare and contrast auditing, attestation, and assurance services. Included in this document is an example of each type of these services as well as who would request each of the services. Addressed is also the standard that apply to each service and who establishes the standards for the services.

### Auditing Services

Auditing refers to the evaluation of an organization, a person, process, system, product, project, or enterprise (Millichamp, 2002). Audit services can be compliance, operational, investigative, or financial. In this case, a good example is an internal university audit. Financial donors, government agencies, stakeholders, and clients provide the requirements for this type of service. Moeller (2009) asserts that conduction of audits are to evaluate the compliance of the operations with the preset policies, regulations, and laws; accuracy, reliability of financial reports and information, achievement of goals, and objectives.

Categorizations of the audit standards include general, fieldwork, and reporting standards. General standards assert that auditors should have the sufficient technical qualifications and proficiency to perform effectively; maintain independence of mind in audit issues; exercise due necessary professional caution in the performance and preparation of audit reports (Morris & Thomas, 2011). Fieldwork standards note that auditors should sufficiently plan

for the work; acquire enough understanding of the organization, its environment, and obtain adequate audit proof that informs conclusions. According to Morris and Thomas (2011), the reporting standards require that auditors should state in their reports that they have presented financial information according to the accounting principles, identify the situations in which accounting principles were ignored, and express their views as regard financial statements.

Among others these standards are designed by government institutions, business organizations, and legal institutions such as International Auditing and Assurance Standards Board, the Public Company Accounting Oversight Board, the American Institute of Certified Public Accountants, the Generally Accepted Accounting Principles established by the Financial Accounting Standards Board, etc.

### **Assurance Services**

Auditing is one form of assurance service that focuses specifically on financial statements. However, assurance services involve much more than just auditing. According to Boynton and Johnson (2006), “Assurance services are independent services that improve the quality of information for decision makers” and these services “deal with a wide array of information used by decision makers, not just financial statement users” (p. 11-12). One example of assurance services is accounting and compilation services. Clients engage a certified public accountant or accounting firm to perform accounting and compilation services, which include the review and drafting of financial statements. While accounting and compilation services do not provide assurance that financial statements are in compliance with generally accepted accounting principles, the services qualify as assurance services because they improve the relevance of information for the users of such information as well as decision makers. Regardless, generally accepted accounting principles established by the Securities and Exchange Commission apply