Accounting Services

• **Compilation**: making accounting records and statements from source data with no assurance given.
• **Forming financial forecasts**: from data and reasonable assumptions
• **Analyzing and evaluating internal controls**
• **Evaluating compliance** with legal requirements
• **Tax** services involve both planning and compliance
• **Consulting** uses planning models, information systems and executive searches to help clients reach goals and efficiently use resources.
• **Litigation support**: calculating damages and explaining complex business and accounting concepts to judges and juries
• **Fraud examiner** examines irregularities
• **Financial planning** helps clients make investment decisions, evaluate the appropriateness of insurance products, plan for retirement, form trusts and resolve an estate.

All services an accountant performs depends on the responsibility of client or management to provide accurate data, reasonable assumptions and due care.

Types of Attest Engagements

• Examination or audit of historical financial statements provide the highest form of assurance (low level of risk of undetected misstatement)
• Compliance audits: conformity to data, standards, laws and regulations
• Operational audits show the effectiveness (in meeting goals) and efficiency (use of resources) of an organizational unit and its performance
• Review: lesser in scope with a limited degree of assurance
  o Involves inquiries by CPA and comparison of amounts to financial and non-financial data
• Agreed-upon procedures

Auditing

• There are several types of auditors:
  o Internal auditors serve the effectiveness and control of a company or a department and are function independently
  o Government Accountability Office (GAO) reveal the effectiveness and efficiency of operations as they relate to the intent of Congress; also involves corporations with government contracts.
  o IRS agents conduct compliance audits
  o Certified Public Accountants (CPA)
• Searching and verifying records
• Understanding internal control by inspection, observation and inquiry
• Attesting to:
  o the existence, title and valuation of assets
  o the presence of all liabilities
  o the occurrence of sales, the shipment of goods, and the appropriate matching and recognition of expenses
• Providing assurance that statements have all amounts classified and summarized and that notes to financials are informative and complete
• Evaluating credibility and accuracy (no capitalized expenses or sales recorded before delivery)

**Audited statements are used by banks to determine loans and the appropriate rate, but bank assumes business risk (company’s survival and profitability) and information risk. Investors are protected by the SEC acts and Sarbanes-Oxley. The Auditor is not the authenticator of financial documents or statements. This is the responsibility of management.**