



Agenda Item 8A

Comparison of Various Types of Services

Type of Service	Auditing	Attestation – assertion based			Type of Service	Proposed Attestation – non assertion based		Consulting
Engagement Type	Audit	Examination	Review	Agreed-Upon Procedures	Engagement Type	Specified Procedures	Direct Engagements	Consulting Engagements
What are the applicable professional standards for this engagement?	AICPA Statements on Auditing Standards	AICPA Clarified Statements on Standards for Attestation Engagements (under development)			What are the applicable professional standards for this engagement?	New proposed section of AICPA Statements on Standards for Attestation Engagements		AICPA – Statement on Standards for Consulting Services
Is the responsible party required to provide a written assertion?	AU-C 580 requires written representation that management has fulfilled its responsibilities... for preparation and fair presentation of financial statements in accordance with U.S. GAAP.	Yes	Yes	Practitioner is required to request a written assertion. If the assertion is not provided, practitioner indicates that in the report	Is the responsible party required to provide a written assertion?	No	No	No
Who may develop the subject matter information?	Usually the responsible party	Usually the responsible party	Usually the responsible party	Responsible party	Who develops the subject matter or subject matter information?	Practitioner or responsible party	Practitioner or responsible party	Practitioner or responsible party
Who is the initial measurer or evaluator of the subject matter or subject matter information?	Often the engaging or responsible party, except for small and medium entities (SMEs) where it may be	Often the engaging or responsible party, except for SMEs where it may be the practitioner subject to independence rules	Often the engaging or responsible party, except for SMEs where it may be the practitioner subject to independence rules	Often the engaging or responsible party, except for SMEs where it may be the practitioner subject to	Who is the initial measurer or evaluator of the subject matter or subject matter information?	Usually the practitioner	Usually the practitioner	Practitioner or responsible party

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	the auditor subject to independence rules			independence rules				
Who selects the criteria?	Usually the engaging party but auditor may suggest the criteria to be used	Usually the engaging party but practitioner may suggest the criteria to be used	Usually the engaging party but practitioner may suggest the criteria to be used	Specified parties	Who selects the criteria?	Practitioner or engaging party (Report may need to state who selected the criteria)	Practitioner or engaging party	No specified criteria are required but the client would inform the practitioner of the client's objectives for the engagement'
Who is responsible for the sufficiency of the procedures?	Practitioner	Practitioner	Practitioner	Specified parties	Who is responsible for the sufficiency of the procedures?	Engaging party or practitioner with agreement by the engaging party	Practitioner	Practitioner and the engaging party
What level of assurance does the practitioner obtain?	Reasonable	Reasonable	Limited	None	What level of assurance does the practitioner obtain?	None	[TBD]	None
What is the primary communication in the report?	Opinion	Opinion	Conclusion	Description of procedures and findings	What is the primary communication in the report?	Description of procedures and findings	Description of procedures and findings. (No decision yet on whether a conclusion would be required.)	Written report is optional. May include findings, conclusions and recommendations
Is the concept of materiality relevant to the engagement?	Yes	Yes	Yes	Only if specified by the specified parties	Is the concept of materiality relevant to the engagement?	Only if specified in the procedures	Yes	No
May the auditor/practitioner use the work of internal auditors?	Yes	Yes	Yes	Not permitted	May the auditor/practitioner use the work of internal auditors?	Not permitted	Yes	No restrictions
Is management/the RP required to	Yes	Yes, but when the RP is not the EP, the RP may provide	Yes, but when the RP is not the EP, the RP may provide	Yes, but when the RP is not the EP, the RP may	Is management/the RP required to	Optional (The practitioner makes	Optional. The requirements for written	Not required

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provide written representations?		oral responses to the practitioner's inquiries and the practitioner restricts use of the report	oral responses to the practitioner's inquiries and the practitioner restricts use of the report.	provide oral responses to the practitioner's inquiries	provide written representations?	this determination.)	representations would be no more stringent than they are in the attestation standards	
Is use of the report restricted?	Generally not, but permitted.	Generally not, but permitted. Specified circumstances require restriction on use of the report	Generally not, but permitted. Specified circumstances require restriction on use of the report.	Yes, to the specified parties.	Is use of the report restricted?	Generally not, except when the circumstances specified in the standard are applicable.	Generally not, except when the circumstances specified in the standard are applicable.	Generally restricted to the engaging party.