

# [Auditing](https://assignbuster.com/auditing-essay-samples-3/)

The American Institute of Certified Public Accountants (AICPA) and the Institute of Internal Auditors (IIA) have positioned the auditing professions to become " assurance professions." Here, we explore the difference between assurance services, attestation services and auditing services. Furthermore, we discuss economic issues that drive increased demand for assurance services. We also identify one assurance engagement and one attestation engagement other than an audit of financial statements and the differences between them. There are certain differences between assurance services, attestation services and auditing services. Assurance service is an independent professional service, typically provided by CPAs, with the goal of improving the information or the context of the information so that decision makers can make more informed, and presumably better decisions. Attestation services are consultations that evaluate the reliability of written statements that are another party’s responsibility. Audits can be considered a type of assurance service but are only designed to test the validity of the financial statements. Recent economic issues drive increased demand for assurance services. The banking and finance industry fiasco of recent years has made these services indispensible in today’s market. There are differences between assurance engagements and attestation engagements other than audits and financial statements. One attestation is that of an entity’s compliance with requirements of specified laws, regulations, rules, contracts, or grants. A type of assurance engagement is that of a comfort letter prepared to assure the recipient of the financial soundness company.   
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The ten Generally Accepted Auditing Standards (GAAS) provide the foundation for all other auditing standards and interpretations. Here, we define the standard of " due professional care" and how a court might decide whether an audit firm met the standard. We also discuss why independence is often considered the cornerstone of the auditing profession and why it was a primary concern of Congress when they developed the Sarbanes-Oxley Act.   
First, we define the standard of " due professional care" and how a court might decide whether an audit firm met the standard. Due professional care goes beyond simple reporting. It is a policy of making judgments that ensure that standard procedures and attitudes are maintained throughout an engagement.   
Next, we also discuss why independence is often considered the cornerstone of the auditing profession and why it was a primary concern of Congress when they developed the Sarbanes-Oxley Act. Independence was a primary concern of Congress because if the business has to much control over accounting. The market imperative of profit could overwhelm the accounting impetus of accuracy and reliability.   
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