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Review Engagements

The objective of a review engagement is an independent accountant review of the financial statements to provide limited assurance they are plausible or worthy of belief.

Where an audit is not required and/or the shareholders waived the appointment of an auditor, financial statements may be prepared on a review basis.

In performing a review the accountants must be independent from the clients and have sufficient knowledge of the industry which the business operates. They must acquire sufficient knowledge of the client's business to make intelligent enquiry and assessment of the information obtained, with the limited objective of determining the plausibility of the information reported on. The review should entail enquiries, analytical procedures and discussion with responsible client officials.

This degree of involvement and assurance is less than an audit and results in:

- The negative assurance that nothing has come to the accountants' attention that would indicate the financial information is not presented in accordance with generally accepted accounting principals, or
- A reservation together with appropriate disclosure and explanation of the reservation.