


You may be asking **“What is the difference between an audit and review?”**
 Both give a level of assurance regarding the financial statements; however, the difference is the level of assurance, the type of report provided and the nature of the procedures. A comparison of the two is below:

(source: <https://www.charities.govt.nz/new-reporting-standards/new-statutory-audit-and-review-requirements/>)

	Audit	Review
Level of assurance	A reasonable or high level of assurance about whether the financial statements as a whole are free from material errors or fraud. Reasonable or high assurance is not absolute assurance.	Limited assurance about whether the financial statements as a whole are free from material errors or fraud. Limited assurance is less than reasonable assurance.
Report provided	Independent Auditor’s Report Opinion is expressed in a positive form, e.g. “The financial statements are free from material misstatement”.	Independent Review Report Conclusion is expressed in a negative form, e.g. “Nothing has come to our attention that causes us to believe that the financial statements are not free from material misstatement”.
Nature of procedures	Procedures normally involve detailed tests of accounting records using techniques such as inspection, observation, confirmation, recalculation and re-performance, as well as inquiry and analytical review.	Procedures are primarily based on inquiry and analytical review.