

The Audit Opinion

Accounting & Finance

The four opinions, and what each one signals.

Opinion by severity.

Opinion	Means	When
Unmodified	Accounts give a true and fair view	No material issues
Qualified	Except for one issue, fine	Material but not pervasive
Adverse	Accounts do not give a true and fair view	Material and pervasive
Disclaimer	Unable to form an opinion	Insufficient evidence, pervasive

Pervasive is the pivot: an issue confined to one area gives a qualification; one affecting the whole picture escalates.