

1ST PARTY VS 2ND PARTY VS 3RD PARTY AUDITS



AUDIT TYPE	1ST PARTY	2ND PARTY	3RD PARTY
DEFINITION	An internal audit conducted by an organization to assess its own processes, systems, and adherence to established standards	An audit where one organization assesses the processes of another, often involving customers auditing suppliers or parent companies	An independent external audit performed by a third-party entity not involved in the audited organization's day-to-day operations
PURPOSE	To make sure a company gets better at what it does and follows its own rules.	To make sure another company follows certain standards, often because they work together	To provide independent opinion of an organization's compliance with established standards
FOCUS AREA	Internal processes, systems, and adherence to internal quality standards	Checking how another company does things, like its processes and following certain standards	Checking everything in a company, like its processes and following specific rules or standards
EXAMPLE	A manufacturing company conducting internal audits to improve production processes and ensure adherence to internal quality standards	A multinational corporation auditing its suppliers' facilities to verify that they meet specific quality and operational standards	A software development firm hiring an external agency to perform a 3rd party audit for ISO 27001 certification