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U.S. Securities and Exchange Commission
File Number 4-497

Dear Sir or Madam:

I submit the results of this Sarbanes-Oxley (“SOX”) survey for potential inclusion in your roundtable meeting on April 13, 2005. My apologies for the late submission as I learned about the roundtable due to Mr. Donaldson’s commentary in the Wall Street Journal on March 29, 2005.

I forwarded the attached survey (with results noted) to the Chief Financial Officers of 300 publicly traded companies (160 NYSE; 25 AMEX; 115 NASDAQ). While the response rate (28 or 9.3%; 12 NYSE; 7 AMEX; 6 NASDAQ) is disappointing, the results indicate a clear trend towards the belief from the respondents that the provisions of Sarbanes/Oxley do not provide an adequate cost/benefit. This is certainly more pronounced for smaller cap companies.

The 25 identified companies had average sales of \$453.6mm and average net income of \$27.6mm (6.1%). These numbers are in line with the survey of the entire 300 companies (requested, not returned) for which average sales were \$625mm and average net income of \$33.3mm (5.3%). The audit fee increases for these 25 were in line with the 102% increase discussed in the attached survey. On average, assuming a 40% effective tax rate, net income is reduced by 1% - 2% for the group due to the increased costs.

Of most interest for the roundtable would be the comments section (Question 14). I believe many of the comments will be similar to those heard during the roundtable meeting.

I would be grateful, if feasible, if you could let me know if this provides any benefit to the meeting.

Best wishes for a successful meeting.

Sincerely,

Michael J. McGuinness

1. Can you advise of the cost of your annual audit in the last year prior to the Sarbanes-Oxley compliance requirements?

The average cost of the 28 companies was \$525k with a range of \$75k - \$3mm.

2. Can you advise of the actual or estimated cost of your annual audit in the first year necessary to comply with Sarbanes-Oxley requirements?

Next year's cost was estimated at \$1.062mm an increase of 102%.

One company reported no expected increase. The largest % increase was 250% for 2 companies (ironically both \$250k to \$700k).

15 of the 28 companies anticipated audit fees doubling at a minimum.

3. If no to (1) and (2), can you advise as to the actual or estimated percentage increase in your annual audit costs due to Sarbanes-Oxley requirements?

Question sufficiently answered in (1) and (2)

4. Do you believe your annual audit costs will be significantly lower in the second year of compliance with Sarbanes-Oxley? If yes, can you provide a percentage estimate?

Extrapolating responses, estimated audit fees in the second year of SOX are estimated at \$835k, an increase of 59% from the base year and a decrease of 21% from the initial year of implementation.

16 companies projected no decrease in spending in the second year of compliance.

5. With respect to internal work performed, can you advise of the estimated man hours and cost of internally documenting and testing internal controls required by Sarbanes-Oxley?

24 companies were able to provide a reasonable estimate of internal man-hours or costs. The average cost for these 24 companies was \$1.15mm.

3 of the 4 not able to provide a number indicated that it was a significant cost.

1 company indicated the question was not applicable.

6. Please provide your opinion with respect to the following statement. “The benefits of Sarbanes-Oxley to our company outweigh the costs”.
- a. Strongly Disagree (b) Disagree (c) Neither agree nor disagree (d) Agree
(e) Strongly agree

Strongly Disagree (13)

Disagree (10)

Neither agree nor disagree (3)

Agree (2)

Strongly agree (0)

7. Please provide your opinion with respect to the following statement. “The benefits of Sarbanes-Oxley to the investing public outweigh the costs”.
- a. Strongly Disagree (b) Disagree (c) Neither agree nor disagree (d) Agree
(e) Strongly agree

Strongly Disagree (9)

Disagree (15)

Neither agree nor disagree (3)

Agree (1) (The agree here was a different company from the agrees in (6))

Strongly agree (0)

8. Please provide your opinion with respect to the following statement. “The accelerated filing deadlines for Forms 10-Q and 10-K will be beneficial for investors”.
- a. Strongly Disagree (b) Disagree (c) Neither agree nor disagree (d) Agree
(e) Strongly agree

Strongly Disagree (7)

Disagree (5)

Neither agree nor disagree (8)

Agree (8)

9. With respect to finding qualified and willing audit committee members, have you found it:
- a. Very difficult (b) More difficult but without major issues (c) No difference
(d) Reasonable but with increased fees

Very Difficult (3)

More difficult but without major issues (10)

No difference (10)

Reasonable but with increased fees (4)

No opinion (1)

10. In your opinion, what has been the impact of Section 406 (disclosure required as to whether a written code of ethics exists for key senior management members) on your company's code of ethics?

- a. No difference (b) Some improvement (c) Greatly improved

No difference (18)

Some improvement (10)

Greatly improved (0)

11. Would a hiring decision by your company in the past five years have been impacted by the "cooling-off period" requirements of Section 208(a). If so, how many and what positions?

Yes (4)

No (20)

Not applicable (4)

The positions were Internal Auditor, Director of Accounting, Senior G/L Accountant. The fourth company did not indicate the position.

12. Can you advise which, if any, of the following services you previously received from your public accounting firm that you now either perform in-house or receive from another firm:

- a. Bookkeeping or other services related to accounting records or financial statements (b) Financial information systems design and implementation (c) Appraisal or valuation services, fairness opinions, or contribution-in-kind reports (d) internal audit outsourcing (e) legal services (f) expert services

14 companies indicated they received no additional significant services from the CPA firm. The other 14 indicated the following services were received (with multiple services received at some companies)

(A) Bookkeeping, etc.	3
(B) Financial information system, etc.	6
(C) Appraisal, etc.	3
(D) Internal audit outsourcing	6
(E) Legal services	0
(F) Expert services	7

13. Please advise whether your company has established an employee “disclosure committee” responsible for considering the materiality or information and determining disclosure obligations on a timely basis. If so, can you advise the positions of individuals on the committee?

20 of the 27 indicated that they have started such a committee. There are numerous different members with Vice Presidents of functional areas being a significant number. Specifics that are noteworthy are:

President	1
CEE or COO	9
CFO	9
Controller	7
General Counsel	9
Internal Audit member	5
Director of Compliance	1 (Newly created position)

14. Please provide, if applicable, up to 3 comments you have with respect to Sarbanes-Oxley. Comments may be favorable or unfavorable, may discuss positive points or discuss required changes in your viewpoint.

There were a wide variety of comments but the overwhelming issue from this limited survey is that there needs to be a different set of rules for smaller companies as the resource requirements are taking attention away from operating a business in a very competitive environment. 17 companies offered comments are they are segregated as follows:

Positives

- **The CPA firms are going back to basics and learning how to audit, which they have forgot over the last 10-15 years.**
- **It has forced us (to our advantage) to document process and review how we conduct business.**
- **Following the year of implementation, smart companies will focus on embedding 404 requirements into the very fabric of what they do on a daily basis.**
- **404 is here and is mandatory, but companies should get some true “value-added” benefits as they refine their approach (i.e. develop training manuals, refine processes, strengthen central controls, etc.)**
- **Good opportunity to strengthen oversight role or foreign subsidiaries and increase controls.**

Negatives

- The independent CPA firm seems to have gone overboard and are afraid of their own shadows.
- You can't legislate morality. The honest companies will remain honest and dishonest companies will still look for loopholes.
- Don't believe that it addresses the problems that really exist in the business world
- For small firms, it can be difficult to find and coordinate the resources required for compliance
- Very costly, limited value for small cap companies
- Requirements are especially onerous for small companies; should be different requirements by size
- SOX converts managers and auditors to paper-pushers and diverts their attention from key business indicators
- Certain that the average shareholder has no idea how much is being spent and could not agree with the cost/benefit
- The overall relationship between the Company and the CPA firm has changed toward an adversary stance.
- SOX punishes the good guys. It is another tax on business.
- SOX is focused visual proof of reviews rather than actual control.
- Inadequate expertise in audit firms
- Overkill; although conceptually okay.
- Regulations as interpreted by the PCAOB and the accounting industry (led by the Big 4) are onerous and go way beyond the legislation.
- They (regulations) also have a particularly adverse effect on smaller public companies (market caps under \$1 billion)
- Scrutinizing intraperiod internal controls is a complete waste of time.
- Many parts of SOX are helpful and had minimal cost impact, but the Rule 404 requirements are completely overboard.
- Requires too much "form over substance" (i.e. value less documentation and evaluation processes)
- Fails to recognize that shareholders do not benefit when costs far outweigh benefits
- Will ultimately detract from ability to attract/retain strong, high quality public accountants.
- The cost of Section 404 of the act greatly exceed the value.
- Expensive
- Low benefits
- False sense of security to investors.

General

- **Ultimately while SOX improves internal control, it fundamentally cannot prevent management override and collusion to which it was a reaction.**
- **The overall relationship between the Company and the CPA firm has changed toward an adversary stance.**
- **Overkill; although conceptually okay**
- **Must be reviewed to assure it is properly positioned vis-à-vis cost/benefit**
- **More guidance needed from the SEC.**
- **The bond rating agency Moody's view about internal control weakness is that if an "error" can be caught at the end of a quarterly reporting period, they are not concerned if a material weakness is reported. This is the essence of internal controls at small businesses**
- **While the costs outweigh the benefits from the Company side, there have been some positive improvements to our internal control system.**

If there are any comments you would want attributed to you, please indicate with ***. Otherwise all comments will be treated anonymously.

Thank you very much for your time in completing this survey. If you would like a copy of the results of the survey, please indicate below.

Name: _____ Title: _____

Copy of Survey Results Desired? Yes _____ No _____

Can I include your company on list of companies participating? Yes _____ No _____

