

Results -- Survey of Independent Public Accountants

Items Attached

1. Copy of the survey instrument.
2. Survey results for each question.
3. Bar chart depicting the percent increase in cost by number of respondents.

1. Introduction

The Legal Services Corporation (LSC) Office of Inspector General (OIG) has concluded that reporting requirements contained in section 509 (a) (2) of the 1996 Appropriation Act (See Audit Bulletin 2009-01 on the LSC OIG website) will require an opinion on internal control. This opinion would be consistent with the AICPA's Statement of Standards for Attestation Engagements (SSAE) No. 15, An Examination of an Entity's Internal Control Over Financial Reporting That Is Integrated With an Audit of Its Financial Statements, and AT Section 501, Reporting on an Entity's Internal Control Over Financial Reporting.

To assist our grantees, the OIG is surveying Independent Public Accountants (IPAs) of LSC grantees to obtain an estimate of the additional cost for a new audit requirement. We ask that you take a couple of minutes to answer the two multiple-choice questions below for each LSC grantee that you audit. The OIG will consolidate the information and use it only in summary form to help the grantees plan for the additional costs. Please note that all survey responses are anonymous -- the survey system does not identify particular respondents.

Your cooperation in this survey is greatly appreciated as we attempt to assess the costs associated with additional oversight of the LSC grantees. We ask that you complete the short survey at your earliest convenience, but if possible by September 10, 2009. If you have any questions, please either email your question to audits@oig.lsc.gov or call 202 295-1671. All questions and answers will be posted on the OIG homepage at oig.lsc.gov.

Sincerely,

Jeffrey E. Schanz
IG

1. LSC grantees are very diverse organizations and the cost of the new requirement may vary widely. How much additional cost do you estimate that the new requirement to provide an opinion on internal controls over financial reporting will add to the total cost of the audit?

- | | |
|------------------------------|--------------------------------------|
| <input type="radio"/> 0-10% | <input type="radio"/> 61-70% |
| <input type="radio"/> 11-20% | <input type="radio"/> 71-80% |
| <input type="radio"/> 21-30% | <input type="radio"/> 81-90% |
| <input type="radio"/> 31-40% | <input type="radio"/> 91-100% |
| <input type="radio"/> 41-50% | <input type="radio"/> More than 100% |
| <input type="radio"/> 51-60% | |

2. Has your firm conducted an examination of an entity's internal control over financial reporting in accordance with AICPA's Statement of Standards for Attestation Engagements No. 15 (An Examination of an Entity's Internal Control Over Financial Reporting that is Integrated with an Audit of its Financial Statements)?

- Yes
 No

Independent Public Accountant Survey Results Overview

Survey Sample: 120 IPAs surveyed (as some IPAs audit multiple programs)

Respondents: 82 Unique IPAs

Response rate: 68%

Survey Period: 8/24/09 - 9/15/09

Question 1:

How much additional cost do you estimate that the new requirement to provide an opinion on internal controls over financial reporting will add to the total cost of the audit?

Additional Cost Range Estimate

Average and Total Cost Increase	Results
Average*	32.25%
Total Cost Increase** (Average)	\$939,600
Average Cost Increase per Program	\$6,858

*Answer choices were in 10% ranges: Overall average range was 27 to 37%

(See Bar Chart for Response data)

**Estimated amounts based upon 2008 IPA Reported Costs.

Question 2:

Has your firm conducted an examination of an entity's internal control over financial reporting in accordance with AICPA's Statement of Standards for Attestation Engagements No. 15?

Results:

81 Responses (1 Left Blank)

49.5% had conducted this type of audit before (40 IPAs); **51.5% had not conducted** such an audit (41 IPAs).

10/15/2009

Question 1: How much additional cost do you estimate that the new requirement that the new requirement to provide an opinion on internal controls over financial reporting will add to the total cost of the audit?

