

## Audit Fees Still Trending Up

New York (March 28, 2006) - A survey of public company filings has revealed that the spike in audit fees under the early years of Sarbanes-Oxley may really have been temporary, though fees did increase in 2005.

An analysis of 22 Dow Jones Industrial Average component companies that filed proxy statements last week revealed that total audit fee payments were up 2.8 percent in 2005, to just over \$540 million, *The Wall Street Journal* reported. The industrial average is a sample of 30 large public companies. Advertisement

Last year's increase comes on the heels of the 40 percent increase in 2004's fees, a jump mandated by the need for the largest public companies to have internal controls in place. All of the Big Four firms predicted that audit fees will drop once the initial work required under SOX was completed.

Audit fees also continued rising as a percentage of total fees. In 2005, 72 percent of the total fees paid to auditors by the Dow companies were related to audit work -- up from 66 percent in 2004, and about 30 percent in 2000.

— WebCPA staff

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