

**EXHIBIT 3**  
**Perceived Value of Disclosures**  
(Mean Values; 1–7 scale: 1 = strongly disagree, 7 = strongly agree)

Question	Group 1: Standard Audit Report	Group 2: With Consulting Disclosure	Group 3: With Independence Education	Group 4: With Both Paragraphs	Overall Average
1. Independent financial statement auditors for non–publicly traded loan applicants should inform me in their audit report when they also provide consulting services for loan applicants.	5.83	6.75	6.58	6.33	6.37
2. When an external auditor also provides consulting services for the client, this improves the effectiveness of the external audit.	2.58	2.00	1.67	2.08	2.08
3. The disclosure that the public accounting firm provided both consulting services as well as independent auditing services for the loan applicant was useful to your lending decision.	N/A	5.33	N/A	5.38	5.36
4. The audit report in this study disclosed the Internet address where the consulting services rules contained in the AICPA <i>Code of Professional Conduct</i> can be found. These rules should be followed by CPAs when they provide a nonpublic independent auditing client with consulting services. Having access to this information is a useful feature of the audit report.	N/A	5.75	N/A	5.50	5.63
5. The disclosure of the extent of consulting services would have been more useful to me if it had been in absolute dollar terms as opposed to percent of audit fees.	N/A	4.5	N/A	4.08	4.29
6. The audit report included a paragraph that discussed the importance of auditor independence to an audit and the effect of the independent audit on information risk associated with the financial statements. How useful was this paragraph to your lending decision?	N/A	N/A	5.00	3.50	4.25