

Form No.	Respondents	Frequency	Total responses	Average time per response (hours)	Total burden hours
ETA-9084 (Comprehensive Services) .....	145	semi-annual .....	290	9.67	2,804
ETA-9085 (Supplemental Youth Services) .....	105	semi-annual .....	210	9.67	2,031
Recordkeeping .....	145	(as needed) .....	27,295	2.7	73,780
Total .....	250	semi-annual .....	27,795	9.67	78,615

ETA 9080 (1205-0423): 150  
Respondents × Quarterly Reporting × 12  
hours per report = 1,800 Burden Hours.

Total Burden Cost (capital/startup):  
\$0.

Total Burden Cost (operating/  
maintaining): Costs associated with this  
collection will vary widely among  
grantees, from nearly no additional cost  
to some higher figure, depending on the  
state of automation attained by each  
grantee and the wages paid to the staff  
actually completing the various forms.  
However, because all expenditures  
associated with the preparation of these  
reports will come from the Federal grant  
funds themselves, there will be no costs  
to the grantees. The grantees will not be  
obligated to expend their own (i.e., non-  
Department) resources to fulfill these  
reporting requirements. All costs  
associated with the submission of these  
forms are allowable grant expenses.  
Comments submitted in response to this  
comment request will be summarized  
and/or included in the request for Office  
of Management and Budget approval of  
the information collection request; they  
also will become a matter of public  
record.

Signed at Washington, DC, this 14th day of  
May, 2004.

**John R. Beverly, III,**

Administrator, Office of National Programs.  
[FR Doc. 04-11387 Filed 5-19-04; 8:45 am]

BILLING CODE 4510-30-P

## NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

### National Endowment for the Arts; Combined Arts Advisory Panel

Pursuant to section 10(a)(2) of the  
Federal Advisory Committee Act (Pub.  
L. 92-463), as amended, notice is hereby  
given that two meetings of the  
Combined Arts Advisory Panel to the  
National Council on the Arts will be  
held at the Nancy Hanks Center, 1100  
Pennsylvania Avenue, NW.,  
Washington, DC 20506 as follows:

*Folk & Traditional Arts:* June 14-15,  
2004, Room 716 (Access to Artistic  
Excellence category). This meeting, from  
9 a.m. to 6:30 p.m. on June 14th and

from 9 a.m. to 5 p.m. on June 15th, will  
be closed.

*Visual Arts:* June 23-25, 2004, Room  
716 (Access to Artistic Excellence  
category). This meeting, from 9 a.m. to  
5:30 p.m. on June 23rd and June 24th  
and from 9 a.m. to 4:15 p.m. on June  
25th, will be closed.

The closed portions of meetings are  
for the purpose of Panel review,  
discussion, evaluation, and  
recommendation on applications for  
financial assistance under the National  
Foundation on the Arts and the  
Humanities Act of 1965, as amended,  
including information given in  
confidence to the agency by grant  
applicants. In accordance with the  
determination of the Chairman of April  
14, 2004, these sessions will be closed  
to the public pursuant to subsection (c)  
(6) of 5 U.S.C. 552b.

Further information with reference to  
this meeting can be obtained from Ms.  
Kathy Plowitz-Worden, Office of  
Guidelines & Panel Operations, National  
Endowment for the Arts, Washington,  
DC 20506, or call 202/682-5691.

Dated: May 14, 2004.

**Kathy Plowitz-Worden,**

Panel Coordinator, Panel Operations,  
National Endowment for the Arts.

[FR Doc. 04-11373 Filed 5-19-04; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-49707; File No. PCAOB-  
2003-10]

### Public Company Accounting Oversight Board; Order Approving Proposed Auditing Standard No. 1, References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board ("Auditing Standard No. 1")

May 14, 2004.

#### I. Introduction

On December 23, 2003, the Public  
Company Accounting Oversight Board  
(the "Board" or the "PCAOB") filed  
with the Securities and Exchange  
Commission (the "Commission")  
proposed Auditing Standard No. 1,

References in Auditors' Reports to the  
Standards of the Public Company  
Accounting Oversight Board ("Auditing  
Standard No. 1") pursuant to sections  
101, 103 and 107 of the Sarbanes-Oxley  
Act of 2002 (the "Act").<sup>1</sup> Auditing  
Standard No. 1 would require registered  
public accounting firms to refer to the  
standards of the PCAOB in their audit  
reports, rather than to U.S. generally  
accepted auditing standards, or  
"GAAS," as is currently the case. Notice  
of the proposed standard was published  
in the **Federal Register** on April 9,  
2004,<sup>2</sup> and the Commission received  
five comment letters. For the reasons  
discussed below, the Commission is  
granting approval of the proposed  
standard. Simultaneously with this  
order, the Commission also is issuing an  
interpretive release to address certain  
implementation issues relating to  
Auditing Standard No. 1.

#### II. Description

The Act establishes the PCAOB to  
oversee the audits of public companies  
and related matters, to protect investors,  
and to further the public interest in the  
preparation of informative, accurate and  
independent audit reports.<sup>3</sup> Section  
103(a) of the Act directs the PCAOB to  
establish auditing and related attestation  
standards, quality control standards,  
and ethics standards to be used by  
registered public accounting firms in the  
preparation and issuance of audit  
reports as required by the Act or the  
rules of the Commission. The Board has  
defined the term "auditing and related  
professional practice standards" to  
mean the standards established or  
adopted by the Board under section  
103(a) of the Act.

The Board's proposed Auditing  
Standard No. 1 requires that an auditor's  
report issued in connection with any  
engagement performed in accordance  
with the auditing and related  
professional practice standards of the  
PCAOB state that the engagement was  
performed in accordance with "the  
standards of the Public Company  
Accounting Oversight Board (United  
States)." The auditor also must include

<sup>1</sup> 15 U.S.C. 7201, *et seq.*

<sup>2</sup> Release No. 34-49528 (April 6, 2004).

<sup>3</sup> Section 101(a) of the Act.

in its report the city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report was issued.

Audit reports currently are required to state that the audits that supported those reports were performed in accordance with generally accepted auditing standards.<sup>4</sup> The PCAOB adopted those generally accepted auditing standards, including their respective effective dates, as they existed on April 16, 2003, as interim PCAOB standards. Therefore, changing the reference from "generally accepted auditing standards" to "the standards of the Public Company Accounting Oversight Board (United States)" does not change the substantive procedures performed by an auditor. Because GAAS and the standards of the PCAOB are one and the same for PCAOB-registered public accounting firms, the PCAOB believes that a reference to GAAS in auditors' reports would no longer be appropriate or necessary.

### III. Discussion

The Commission received five comment letters in response to its request for comments on Auditing Standard No. 1. Several commenters sought clarification with respect to certain implementation issues. One of the issues they raised is addressed in the Commission interpretive release discussed below. The Commission staff is aware of the other issues and will consider whether any guidance is needed in the future. One commenter recommended that the PCAOB undertake a near-term project to make conforming amendments to other standards affected by Auditing Standard No. 1, and another suggested changes to the form of auditor's report that were not related to the topic of this standard. We are forwarding these comments to the PCAOB for its consideration in future standard setting. Two commenters repeated an earlier suggestion to the PCAOB that the auditor's report should specify that the audit was conducted in accordance with the *auditing* standards of the PCAOB rather than using a reference that included all PCAOB standards, including quality control, ethics and independence standards. In response to the earlier comments, the PCAOB declined to limit the categories of standards that might be applicable to an audit, and the Commission concurs with that position.

In order to address certain issues relating to implementation of Auditing Standard No. 1, the Commission is

issuing an interpretive release simultaneously with the issuance of this order. The Commission believes that publication of the interpretive release will assist the PCAOB, registrants, auditors and investors by, among other things, addressing certain transitional implementation issues and clarifying the impact of Auditing Standard No. 1 on existing references in Commission rules and regulations to "generally accepted auditing standards."

### IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposed Auditing Standard No. 1 is consistent with the requirements of the Act and the securities laws and is necessary and appropriate in the public interest and for the protection of investors.

*It is therefore ordered*, pursuant to section 107 of the Act and section 19(b)(2) of the Securities Exchange Act of 1934, that proposed Auditing Standard No. 1, *References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board* (File No. PCAOB-2003-10) be and hereby is approved.

By the Commission.

**J. Lynn Taylor**,

*Assistant Secretary.*

[FR Doc. 04-11400 Filed 5-19-04; 8:45 am]

**BILLING CODE 8010-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-49704; File No. PCAOB-2003-07]

### Public Company Accounting Oversight Board; Order Approving Proposed Rules Relating to Investigations and Adjudications

May 14, 2004.

#### I. Introduction

On October 10, 2003, the Public Company Accounting Oversight Board (the "Board" or the "PCAOB") filed with the Securities and Exchange Commission (the "Commission") proposed rules pursuant to Section 107 of the Sarbanes-Oxley Act of 2002 (the "Act") and Section 19(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), relating to investigations and adjudications. Notice of the proposed rules was published in the **Federal Register** on March 26, 2004.<sup>1</sup> The Commission received five comment letters relating to these rules. For the reasons discussed below, the

Commission is granting approval of the proposed rules.

#### II. Description

Section 105 of the Act directs the PCAOB to establish fair procedures for the investigation and disciplining of registered public accounting firms and associated persons of such firms. In furtherance of this provision, the PCAOB proposed rules to establish procedures for investigations and adjudications, and adopted the proposed rules on September 29, 2003. Pursuant to the requirements of section 107(b) of the Act and Section 19(b) of the Exchange Act, the Commission published the proposed rules for public comment on March 26, 2003. The proposed rules on investigations and adjudications consist of 64 rules (PCAOB Rules 5000 through 5469 and 5500 through 5501), plus certain definitions that appear in PCAOB Rule 1001.

The proposed rules on investigations and adjudications provide that the PCAOB and its staff may conduct investigations concerning any acts or practices, or omissions to act, by registered public accounting firms and persons associated with such firms that may violate any provisions of the Act, the rules of the PCAOB, the provisions of the securities laws relating to the preparation and issuance of audit reports and the obligations and liabilities of accountants with respect thereto, including Commission rules issued under the Act or professional standards. Pursuant to the Act, the PCAOB's proposed rules provide that it may require registered public accounting firms and their associated persons to cooperate with Board investigations and may seek information from other persons, including clients of registered firms.

When violations are detected, the proposed rules provide an opportunity for a hearing, and in appropriate cases, for the PCAOB to impose sanctions designed to prevent a repetition of the violation and to enhance the quality and reliability of future audits. These sanctions may include temporarily or permanently prohibiting a firm or associated person from participating in audits of public companies or from being associated with a registered public accounting firm. Sanctions also may require special remedial measures, such as training, new quality control procedures, and the appointment of an independent monitor.

The PCAOB also may hold hearings on disapproved registration applications, pursuant to Section 102 of the Act. Under the PCAOB's registration

<sup>4</sup> Item 2-02 (b) of Regulation S-X.

<sup>1</sup> Release No. 34-49454 (March 19, 2004).