DEPARTMENT OF LABOR

Office of the Secretary

29 CFR Part 96

RIN 1291-AA26

Audit Requirements for Grants, Contracts, and Other Agreements

AGENCY: Office of the Secretary, Labor. **ACTION:** Final rule; no material change.

SUMMARY: The Department of Labor hereby finalizes its regulation on "Audit Requirements For Grants, Contracts, and Other Agreements," to ensure consistency with previously published amendments to "Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, and with Commercial Organizations, Foreign Governments, Organizations Under the Jurisdiction of Foreign Governments and International Organizations" and "Uniform Administrative Requirements for Grants, and Cooperative Agreements to State and Local Governments.'

EFFECTIVE DATE: Effective May 2, 2003. **FOR FURTHER INFORMATION CONTACT:** Jeff Saylor, Acting Director, Division of Acquisition Management Services, U.S. Department of Labor, 200 Constitution Avenue, NW., Room N–5425, Washington, DC 20210. Telephone (202) 693–7285. E-mail:

OASAMRegComments@dol.gov.

SUPPLEMENTARY INFORMATION: The Single Audit Act Amendments of 1996, (Public Law 104-156, 110 Stat. 1396), and the June 24, 1997, revision of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" (62 FR 35278, June 30, 1997), required agencies to adopt in codified regulations the standards in the revised Circular A-133 by August 29, 1997, so that they will apply to audits of fiscal years beginning after June 30, 1996. The revised Circular A-133 colocated audit requirements for States, local governments, and non-profit organizations. As a consequence, OMB rescinded OMB Circular A–128, "Audits of State and Local Governments." The Department's interim final rule has been in effect since March 25, 1999 (64 FR 14539). No comments were received on this rule. Accordingly, the interim rule amending 29 CFR part 96 is being adopted as a final rule without change.

Paperwork Reduction Act

This regulation is subject to the Paperwork Reduction Act. Information is submitted on the Standard Form SF– SAC, entitled "Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations for Fiscal Year Ending Dates On or After January 1, 2001." The U.S. Census Bureau is acting as the collection agent for OMB. OMB has issued approval number 0348–0057 for this data collection.

Executive Order 12866 and Significant Regulatory Actions

This rule is considered by the Department of Labor to be a "significant regulatory action" under section 3(f) of E.O. 12866. Accordingly this rule has been submitted to and approved by the Office of Management and Budget.

This rule will not have a significant economic impact on a substantial number of small entities. This final rule does not affect the amount of funds provided in the covered programs, but rather increases the threshold for non-Federal entities subject to audit, thereby reducing burden on some small entities. Accordingly, the Department determined that this rule will not have a significant economic impact on a substantial number of small entities. The Department certified to this effect to the Chief Counsel for Advocacy of the U.S. Small Business Administration when the interim rule was published. Therefore, no Regulatory Flexibility Analysis was required. No comments were received on any aspect of the rule or these conclusions as set forth in the interim rule.

Small Business Regulatory Enforcement Fairness Act

This rule is not a "major rule" under the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 801 et seq.) because it is not likely to result in (1) an annual effect on the economy of \$100 million or more; (2) a major increase in costs or prices for consumers, individual industries, Federal, State or local government agencies, or geographic regions; or (3) significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreignbased enterprises in domestic or export markets.

Effects on Families

This rule has been assessed under section 654 of the Treasury and General Government Appropriations Act, 1999, for its effect on family well-being and we hereby certify that the rule will not adversely affect the well-being of families.

Consistent with the Small Business Regulatory Enforcement Act of 1996, DOL will submit to Congress a report regarding the issuance of today's final rule prior to the effective date set forth at the outset of this notice. The report will note the Office of Management and Budget's determination that this rule does not constitute a major rule under that Act 5 U.S.C. 801, 804.

List of Subjects in 29 CFR Part 96

Audit Requirements For Grants, Contracts, And Other Agreements.

Signed at Washington, DC, on March 26, 2003.

Elaine L. Chao,

Secretary of Labor. [FR Doc. 03–7887 Filed 4–1–03; 8:45 am] BILLING CODE 4510–23–P

DEPARTMENT OF LABOR

Office of the Secretary

29 CFR Part 99

RIN 1291-AA27

Audits of States, Local Governments, and Non-Profit Organizations

AGENCY: Office of the Secretary, Labor. **ACTION:** Final rule; no material change.

SUMMARY: The Department of Labor hereby finalizes its regulation on "audits of states, local governments, and non-profit organizations" which codifies in (DOL) regulations the revised Office of Management and Budget (OMB) Circular A–133 in its entirety.

EFFECTIVE DATE: Effective May 2, 2003.

FOR FURTHER INFORMATION CONTACT: Jeff Saylor, Acting Director, Division of Acquisition Management Services, U.S. Department of Labor, 200 Constitution Avenue, NW., Room N–5425, Washington, DC 20210. Telephone (202) 693–7285. E-mail: OASAMRegComments@dol.gov.

SUPPLEMENTARY INFORMATION: The Single Audit Act Amendments of 1996, (Public Law 104-156, 110 Stat. 1396), and the June 24, 1997, revision of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" (62 FR 35278, June 30, 1997), required agencies to adopt in codified regulations the standards in the revised Circular A-133 by August 29, 1997, so that they will apply to audits of fiscal years beginning after June 30, 1996. The Department's interim final rule has been in effect since March 25, 1999 (64 FR 14539). No comments were received on the rule. Accordingly, the interim rule adding 29 CFR part 99 which was published at 64 FR 14539 on

March 25, 1999 is being adopted as a final rule without change.

Paperwork Reduction Act

This regulation is subject to the Paperwork Reduction Act. Information is submitted on the Standard Form SF– SAC, entitled "Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations for Fiscal Year Ending Dates On or After January 1, 2001." The U.S. Census Bureau is acting as the collection agent for OMB. OMB has issued approval number 0348–0057 for this data collection.

Executive Order 12866 and Significant Regulatory Actions

This rule is considered by the Department of Labor to be a "significant regulatory action" under section 3(f) of E.O. 12866. Accordingly this rule has been submitted to and approved by the Office of Management and Budget.

This rule will not have a significant economic impact on a substantial number of small entities. This final rule does not affect the amount of funds provided in the covered programs, but rather increases the threshold for non-Federal entities subject to audit, thereby reducing burden on some small entities. Accordingly, the Department determined that this rule will not have a significant economic impact on a substantial number of small entities. The Department certified to this effect to the Chief Counsel for Advocacy of the U.S. Small Business Administration when the interim rule was published. Therefore, no Regulatory Flexibility Analysis was required. No comments were received on any aspect of the rule or these conclusions as set forth in the interim rule.

Small Business Regulatory Enforcement Fairness Act

This rule is not a "major rule" under the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 801 *et seq.*) because it is not likely to result in (1) An annual effect on the economy of \$100 million or more; (2) a major increase in costs or prices for consumers, individual industries, Federal, State or local government agencies, or geographic regions; or (3) significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreignbased enterprises in domestic or export markets.

Effects on Families

This rule has been assessed under section 654 of the Treasury and General Government Appropriations Act, 1999, for its effect on family well-being and we hereby certify that the rule will not adversely affect the well-being of families.

Consistent with the Small Business Regulatory Enforcement Act of 1996, DOL will submit to Congress a report regarding the issuance of today's final rule prior to the effective date set forth at the outset of this notice. The report will note the Office of Management and Budget's determination that this rule does not constitute a major rule under that Act 5 U.S.C. 801, 804.

List of Subjects in 29 CFR Part 99

Audits of States, Local Governments, and Non-Profit Organizations.

Signed at Washington, DC, on March 26, 2003.

Elaine L. Chao,

Secretary of Labor. [FR Doc. 03–7888 Filed 4–1–03; 8:45 am] BILLING CODE 4510-23–P