

## FEDERAL COMMUNICATIONS COMMISSION

### Notice of Public Information Collection(s) Submitted to OMB for Review and Approval

December 30, 1997.

**SUMMARY:** The Federal Communications Commission, as part of its continuing effort to reduce paperwork burden invites the general public and other Federal agencies to take this opportunity to comment on the following information collection(s), as required by the Paperwork Reduction Act of 1995, Public Law 104-13. An agency may not conduct or sponsor a collection of information unless it displays a currently valid control number. No person shall be subject to any penalty for failing to comply with a collection of information subject to the Paperwork Reduction Act (PRA) that does not display a valid control number. Comments are requested concerning (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's burden estimate; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on the respondents, including the use of automated collection techniques or other forms of information technology.

**DATES:** Written comments should be submitted on or before February 6, 1998. If you anticipate that you will be submitting comments, but find it difficult to do so within the period of time allowed by this notice, you should advise the contact listed below as soon as possible.

**ADDRESSES:** Direct all comments to Judy Boley, Federal Communications Commission, Room 234, 1919 M St., N.W., Washington, DC 20554 or via internet to [jboley@fcc.gov](mailto:jboley@fcc.gov).

**FOR FURTHER INFORMATION CONTACT:** For additional information or copies of the information collection(s), contact Judy Boley at 202-418-0214 or via internet at [jboley@fcc.gov](mailto:jboley@fcc.gov).

#### SUPPLEMENTARY INFORMATION:

*OMB Control No.:* 3060-0678.

*Title:* Commission's Rules and Regulations for Satellite Application and Licensing Procedures.

*Form No.:* FCC Form 312.

*Type of Review:* Revision of a currently approved collection.

*Respondents:* Businesses or other for profit; not-for-profit institutions; federal government.

*Number of Respondents:* 1,310.

*Estimated Time Per Response:* 2 hours.

*Frequency of Response:* On occasion reporting requirement; third party disclosure requirement.

*Cost to Respondents:* \$8,963,447.

*Total Annual Burden:* 2,620 hours.

*Needs and Uses:* Rules, policies and form changes have been adopted to implement the World Trade Organization (WTO) Basic Telecommunications Agreement. The proposals permit non-U.S. licensed satellite services to be considered in the United States. Non-U.S. licensed entities would be permitted to file Letters of Intent for satellite space stations. Modifications to FCC Form 312 have been adopted to incorporate questions for non-U.S. licensed entities and to correct omissions on previous versions.

Federal Communications Commission.

**Magalie Roman Salas,**  
Secretary.

[FR Doc. 98-275 Filed 1-6-98; 8:45 am]

BILLING CODE 6712-01-P

## FEDERAL DEPOSIT INSURANCE CORPORATION

### Rescission of the Statement of Policy Providing Guidance on External Auditing Procedures for State Nonmember Banks

**AGENCY:** Federal Deposit Insurance Corporation (FDIC or Corporation).

**ACTION:** Rescission of statement of policy.

**SUMMARY:** As part of the FDIC's systematic review of its regulations and written policies under Section 303(a) of the Riegle Community Development and Regulatory Improvement Act of 1994 (CDRI), the FDIC is rescinding its outdated Statement of Policy Providing Guidance on External Auditing Procedures for State Nonmember Banks (Policy Statement).

**EFFECTIVE DATE:** The Policy Statement is rescinded effective December 31, 1997.

**FOR FURTHER INFORMATION CONTACT:** Doris L. Marsh, Examination Specialist, Division of Supervision, (202) 898-8905, or Sandy Comenetz, Counsel, Legal Division, (202) 898-3582, FDIC, 550 17th Street, N.W., Washington, DC 20429.

**SUPPLEMENTARY INFORMATION:** The FDIC is conducting a systematic review of its regulations and written policies. Section

303(a) of the CDRI (12 U.S.C. 4803(a)) requires each federal banking agency to streamline and modify its regulations and written policies in order to improve efficiency, reduce unnecessary costs, and eliminate unwarranted constraints on credit availability. Section 303(a) also requires each federal agency to remove inconsistencies and outmoded and duplicative requirements from its regulations and written policies.

As part of this review, the FDIC has determined that its Statement of Policy Providing Guidance on External Auditing Procedures for State Nonmember Banks (Policy Statement) is obsolete. The Policy Statement was first adopted by the FDIC Board of Directors on January 16, 1990, and published on January 22, 1990 (55 FR 2142).

The Policy Statement strongly encourages all FDIC-supervised banks to have a financial statement audit as their external auditing program. Nevertheless, the Policy Statement recognizes that the board of directors or audit committee at some institutions may determine that a financial statement audit does not best meet the institution's needs for an external auditing program. It recommended as an alternative to an audit for banks not subject to the audit requirement in Section 36 of the Federal Deposit Insurance Act (FDI Act) that the board of directors or audit committee consider having certain specified auditing procedures performed by an independent public accountant as its external auditing program. However, the FDIC has now determined that the specific procedures recommended in the Policy Statement to be performed by an external auditor no longer constitute an acceptable alternative to a financial statement audit nor is the performance of these procedures the best method for meeting the FDIC's supervisory objectives with respect to external auditing work. The FDIC believes that its safety and soundness goals would be better satisfied by emphasizing internal control over financial reporting in external auditing programs.

In addition, the American Institute of Certified Public Accountants (AICPA), which establishes standards for auditing and other professional services rendered by certified public accountants, issued its Statement on Standards for Attestation Engagements No. 4, "Agreed-Upon Procedures Engagements," in 1995. Under this revised standard, an independent public accountant may perform an attestation engagement only if the accountant is attesting to a management assertion "that is capable of evaluation against reasonable criteria that either have been established by a recognized body" or "is

capable of reasonably consistent estimation or measurement using such criteria." Since no part of the Policy Statement requires a management assertion, and there are no reasonable criteria against which to evaluate the results of any of the specified auditing procedures that an independent public accountant would perform, the Policy Statement is unworkable under the AICPA's current professional standards. Accordingly, the FDIC is rescinding the Policy Statement.

### Expected Proposal

For many years, the FDIC examination staff has been reviewing the internal auditing and external auditing programs of institutions because these programs enhance the ability of an institution to detect and correct any potentially serious problems that may exist. On November 16, 1988, the FDIC Board of Directors adopted its Policy Statement Regarding Independent External Auditing Programs of State Nonmember Banks (published on November 28, 1988 (53 FR 47871), and amended on June 24, 1996, (61 FR 32438)), in which the FDIC strongly encourages each state nonmember bank to adopt an adequate external auditing program. The policy statement states that any institution which has an annual audit of its financial statements by an independent public accountant will be considered to have an adequate external auditing program. However, it also provided certain acceptable alternatives, including a report on the balance sheet or an analysis of internal control, that an institution might choose should its board of directors determine that an annual audit by an independent public accountant does not best suit its needs. This policy statement remains outstanding.

For some time, the staffs of the other banking agencies have also encouraged each of their supervised institutions to adopt an appropriate annual external auditing program. Earlier this year, FDIC staff and the staffs of these agencies began preparing a proposed uniform interagency policy statement on external auditing programs for banks and thrifts. This proposal, which is expected to be published for notice and comment by the Federal Financial Institutions Examination Council (FFIEC), will encourage each institution to adopt an external auditing program that includes an annual audit of its financial statements by an independent public accountant. If an institution's board of directors or audit committee determines that an audit does not best meet the institution's needs, the proposal is expected to provide two acceptable

alternatives to an audit for banks not subject to the audit requirement in Section 36 of the Federal Deposit Insurance Act (FDI Act). The alternatives consist of a report on the institution's balance sheet or an attestation report on internal control over specified schedules of its regulatory reports. Each should be performed by an independent public accountant.

**Report on the Balance Sheet Audit.** As one alternative to a financial statement audit, the proposal will suggest that an institution's board of directors or its audit committee consider engaging an independent public accountant to examine the assets, liabilities, and equity of the institution under generally accepted auditing standards (GAAS) and to opine on the fairness of the presentation on the balance sheet. In these circumstances, the accountant would not be expected to provide an opinion on the fairness of the presentation of the institution's income statement, statement of changes in equity capital, or statement of cash flows.

**Attestation Report on Internal Control Assertion.** As the other alternative, the proposal will recommend that an institution's board or audit committee consider engaging an independent public accountant to provide a report attesting to management's assertion concerning the effectiveness of internal control over financial reporting on certain schedules of its regulatory reports, particularly those relating to loans and securities. Under this alternative, management initially would have to review its internal control over the preparation of these schedules and document this review. Management would then provide a written assertion to the independent public accountant stating whether it believes its internal control in this area is effective. The independent public accountant would examine management's assertion and provide an appropriate attestation report.

This alternative would not provide assurance that the specific dollar amounts reported on the regulatory report are accurate. However, it would provide reasonable assurance about the reliability of management's assertion concerning the establishment of an internal control structure and procedures over financial reporting on the specified report schedules and whether that control is effective.

### Interim Recommendation

The FDIC suggests that, until a new policy statement regarding an annual external auditing program is adopted,

any institution which does not have an annual audit of its financial statements by an independent public accountant should consider having one of the alternatives described above performed by an independent public accountant as its external auditing program.

Nevertheless, the FDIC understands that some states have adopted the procedures from the obsolete Policy Statement on External Auditing Procedures for State Nonmember Banks as the state-required external auditing program. Until a new policy statement is effective, if an institution does not have an audit of its financial statements and is based in a state that has a state-required external auditing program (e.g., a directors' examination), the institution would not normally be expected to incur the cost of one of the alternatives in addition to its state-required program.

For the above reasons, the Policy Statement is rescinded.

By order of the Board of Directors.

Dated at Washington, D.C., this 23rd day of December, 1997.

Federal Deposit Insurance Corporation.

**Robert E. Feldman,**

*Executive Secretary.*

[FR Doc. 98-347 Filed 1-6-98; 8:45 am]

BILLING CODE 6714-01-P

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## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Agency for Health Care Policy and Research

#### Nominations for Members of the U.S. Preventive Services Task Force

The Agency for Health Care Policy and Research (AHCPR) is reconvening the U.S. Preventive Services Task Force (the Task Force) and inviting nominations of qualified individuals to serve as members.

#### Background

Under Title IX of the Public Health Service Act, AHCPR is charged with enhancing the quality, appropriateness, and effectiveness of health care services and access to such services. AHCPR accomplishes these goals through scientific research and through promotion of improvements in clinical practice, including prevention of diseases and other health conditions, and improvements in the organization, financing, and delivery of health care services (42 U.S.C. 299-299c-6).

#### U.S. Preventive Services Task Force

The U.S. Preventive Task Force (the Task Force) is an expert panel, first established in 1984 under the auspices