

**UNITED STATES OF AMERICA  
BEFORE THE  
SECURITIES AND EXCHANGE COMMISSION**

**Securities Act of 1933  
Release No. 8676/ April 13, 2006**

**Securities Exchange Act of 1934  
Release No. 53641/ April 13, 2006**

**ORDER APPROVING PUBLIC COMPANY ACCOUNTING OVERSIGHT  
BOARD BUDGET AND ANNUAL ACCOUNTING SUPPORT FEE FOR  
CALENDAR YEAR 2006**

The Sarbanes-Oxley Act of 2002 (the “Act”) established the Public Company Accounting Oversight Board (“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. The PCAOB is to accomplish these goals through registration of public accounting firms and standard setting, inspection, and disciplinary programs. Section 109 of the Act provides that the PCAOB shall establish a reasonable annual accounting support fee, as may be necessary or appropriate to establish and maintain the PCAOB. Section 109(h) amends Section 13(b)(2) of the Securities Exchange Act of 1934 to require issuers to pay the allocable share of a reasonable annual accounting support fee or fees, determined in accordance with Section 109 of the Act. Under Section 109(f), the aggregate annual accounting support fee shall not exceed the PCAOB’s aggregate “recoverable budget expenses,” which may include operating, capital and accrued items. Section 109(b) of the Act directs the PCAOB to establish a budget for each fiscal year in accordance with the PCAOB’s internal procedures, subject to approval by the Securities and Exchange Commission (the “Commission”).

The PCAOB adopted a budget for calendar year 2006 on November 22, 2005 and submitted it to the Commission for approval on January 24, 2006. In accordance with its responsibilities to oversee the PCAOB, the Commission reviewed the budget proposed by the PCAOB for 2006 and its aggregate accounting support fee for 2006, which will fund the PCAOB's expenditures.

In an effort to address any issues relating to the PCAOB's proposed budget for 2006 before it was approved by the PCAOB and submitted to the Commission for review and approval, the Commission's review of the PCAOB's proposed budget for 2006 began in August 2005 with a meeting between Commission and PCAOB staffs to discuss the types of supporting information the Commission would need to begin its review of the PCAOB's 2006 budget, including questions to be addressed by the PCAOB regarding its proposed budget and accounting support fee. Also, prior to the PCAOB's final consideration of its 2006 budget estimates and approval of its proposed budget for 2006, the PCAOB board members met, either in person or by phone, with each Commissioner to discuss the PCAOB's development of a strategic plan and other matters impacting the PCAOB's budget. In December, shortly after the PCAOB approved its proposed budget for 2006, the PCAOB briefed the Commission staff on its inspection program for 2005 and its plans for 2006 and provided responses to the staff's questions regarding its inspection program.

Over the course of the Commission's review, staff from the Commission's Offices of the Chief Accountant, Executive Director and Information Technology dedicated a substantial amount of time to the review and analysis of the PCAOB's programs, projects and budget estimates, and attended several meetings with board

members, management and staff of the PCAOB to develop an understanding of the PCAOB's budget and operations. During the course of the Commission's review, the Commission staff relied upon representations and supporting documentation from the PCAOB.

After considering the above, the Commission did not identify any proposed disbursements in the budget that are not properly recoverable through the annual accounting support fee, and the Commission believes that the aggregate proposed 2006 annual accounting support fee does not exceed the PCAOB's aggregate recoverable budget expenses for 2006.

Based on the foregoing, the Commission has determined that the PCAOB's 2006 budget and annual accounting support fee are consistent with Section 109 of the Act.

Accordingly,

IT IS ORDERED, pursuant to Section 109 of the Act, that the PCAOB budget and annual accounting support fee for calendar year 2006 are approved.

By the Commission.

Nancy M. Morris  
Secretary