

**DATE:** March 24, 2003

**SUBJECT:** Agencies Issue Updated Policy Statement on Internal Auditing

**HIGHLIGHTS:** The federal banking and thrift regulatory agencies have revised their guidance on the independence of accountants who provide institutions with both external and internal audit services to reflect the provisions of the Sarbanes-Oxley Act of 2002.

The updated Interagency Policy Statement on the Internal Audit Function and Its Outsourcing, which replaces a policy issued in 1997, also reflects the agencies' experience with the 1997 policy and incorporates recent developments in internal auditing.

Additional information is included in the press release.

**DOCUMENT LOCATION:** The March 17, 2003 press release, including the Interagency Policy Statement, is available at:

<http://www.federalreserve.gov/boarddocs/press/bcreg/2003/20030317/>

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