

**DATE:** September 15, 2003

**SUBJECT:** Agencies Issue Final Rules on Disciplinary Actions Against Accountants and Accounting Firms Performing Certain Audit Services

**HIGHLIGHTS:** Section 36 of the Federal Deposit Insurance Act, as implemented by 12 CFR part 363, requires that each insured depository institution with total assets of \$500 million or more obtain an audit of its financial statements and an attestation on management's assertions concerning internal controls over financial reporting by an independent public accountant (accountant). The insured depository institution must include the accountant's audit and attestation reports in its annual report.

Although there have been few bank and thrift failures in recent years, the circumstances of the failures that have occurred illustrate the importance of maintaining high quality in the audits of the financial position and attestations of **management assessments** of insured depository institutions. These final rules enhance the OCC's, Board's, FDIC's, and OTS's ability to address misconduct by accountants who perform annual audit and attestation services.

**DOCUMENT**

**LOCATION:** <http://www.federalreserve.gov/boarddocs/press/bcreg/2003/20030808/default.htm>

**FURTHER  
INFORMATION:**

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