

Press Releases

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OTS 03-25 - Agencies Issue Final Rules on Disciplinary Actions Against Accountants and Accounting Firms Performing Certain Audit Services

Office of Thrift Supervision

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For further information

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Joint Release

**Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency
Office of Thrift Supervision**

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

The federal bank and thrift regulatory agencies today issued final rules governing their authority to take disciplinary actions against independent public accountants and accounting firms that perform audit and attestation services required by section 36 of the Federal Deposit Insurance Act. Proposed rules were published for comment in the Federal Register in January 2003.

The final rules, which take effect on October 1, 2003, establish procedures under which the agencies can, for good cause, remove, suspend, or bar an accountant or firm from performing audit and attestation services for insured depository institutions with assets of \$500 million or more. The rules permit immediate suspensions in limited circumstances.

The rules provide that certain violations of law, negligent conduct, reckless violations of professional standards or lack of qualifications to perform auditing services may be considered good cause to remove, suspend or bar an accountant or firm from providing audit services for banking organizations subject to section 36. Also, the rules prohibit an accountant or accounting firm from performing audit services if the accountant or firm has been removed, suspended, or debarred by one of the agencies, or if the U.S. Securities and Exchange Commission or the Public Company Accounting Oversight Board has taken certain disciplinary action against the accountant or firm.

The rules are being issued by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency and the Office of Thrift Supervision. The rules amend each agency's rules of practice separately, but are substantively identical.

Accountant Debarment - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2003-25a.pdf>

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The Office of Thrift Supervision (OTS), a bureau of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of thrift institutions and to support their role as home mortgage lenders and providers of other community credit and financial services. For copies of news releases or other documents visit the OTS web page at www.ots.treas.gov.