

Press Releases

May 10, 2005

OTS 05-17 - Comments Requested on Proposed Advisory on the Limitation of Liability Provisions in Audit Engagement Letters

Office of Thrift Supervision

FOR RELEASE at 1:00 P.M. EST

For further information

Monday, May 10, 2005

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OTS 05-17

202/906-6677

Comments Requested on Proposed Advisory on the Limitation of Liability Provisions in Audit Engagement Letters

The Federal Financial Institutions Examination Council (FFIEC)^[1] today requested comments on proposed guidance on the unsafe and unsound use of limitation of liability provisions and certain alternative dispute resolution provisions in external audit engagement letters.

The proposed guidance advises financial institutions' boards of directors, audit committees and management that they should ensure that they do not enter into any agreement that contains external auditor limitation of liability provisions with respect to financial statement audits.

Comments on the proposed guidance are requested by June 9, 2005. Specific information on how to file a comment is contained in the attached Federal Register notice.

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Attachments: Proposed Interagency Advisory - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2005-17a.pdf>

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1 Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, National Credit Union Administration, Office of the Comptroller of the Currency, Office of Thrift Supervision.

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The Office of Thrift Supervision, an office of the Department of the Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of, and compliance with consumer protection laws by, thrift institutions, and to support their role as home mortgage lenders and providers of other community credit and financial services. OTS also oversees the activities and operations of thrift holding companies that own or control thrift institutions. Copies of OTS news releases and other documents are available at the OTS web page at www.ots.treas.gov.