
External Auditor Independence

EXTERNAL AUDITOR INDEPENDENCE

In 2008, the Board of Governors engaged Deloitte & Touche LLP (D&T) for the audits of the individual and combined financial statements of the Reserve Banks. Fees for D&T's services are estimated to be \$10.2 million. Approximately \$2.7 million of the estimated total fees was for the audits of the limited liability companies (LLCs) that are associated with recent Federal Reserve actions to address the financial crisis, and is consolidated in the financial statements of the Federal Reserve

Bank of New York.[†] To ensure auditor independence, the Board of Governors requires that D&T be independent in all matters relating to the audit. Specifically, D&T may not perform services for the Reserve Banks or others that would place it in a position of auditing its own work, making management decisions on behalf of Reserve Banks, or in any other way impairing its audit independence. In 2008, the Bank engaged D&T for non-audit services, the fees for which were immaterial.

[†]Each LLC will reimburse the Board of Governors for the fees related to the audit of its financial statements from the entity's available net assets.