

## External Auditor Independence

The Federal Reserve Board engaged KPMG to audit the 2025 combined and individual financial statements of the Reserve Banks and the financial statements of the limited liability company (LLC) that is associated with the Board of Governors' actions to address the coronavirus pandemic and is consolidated in the statements of the Federal Reserve Bank of Boston.<sup>1</sup>

In 2025, KPMG also conducted audits of internal controls over financial reporting for each of the Reserve Banks. Fees for KPMG services totaled \$9.3 million, including \$0.2 million for the LLC audit.<sup>2</sup> To ensure auditor independence, the Board of Governors requires that KPMG be independent in all matters relating to the audits. Specifically, KPMG may not perform services for the Reserve Banks or affiliated entities that would place it in a position of auditing its own work, making management decisions on behalf of the Reserve Banks, or in any other way impairing its audit independence. In 2025, the Bank did not engage KPMG for any non-audit services.

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<sup>1</sup> In addition, KPMG audited the Retirement Plan for Employees of the Federal Reserve System (System Plan) and the Thrift Plan for Employees of the Federal Reserve System (Thrift Plan). The System Plan and the Thrift Plan provide retirement benefits to employees of the Board, the Federal Reserve Banks, and the Consumer Financial Protection Bureau.

<sup>2</sup> The LLC will reimburse the Board of Governors for the fees related to the audit of its financial statements from the entity's available assets.