



Federal Deposit Insurance Corporation
550 17th Street, NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-33-2009
June 23, 2009

ANNUAL AUDIT AND REPORTING REQUIREMENTS

Final Amendments to Part 363

Summary: The FDIC has amended Part 363 of its regulations, which sets forth annual independent audit and reporting requirements for insured institutions with \$500 million or more in total assets. The FDIC Board of Directors adopted these amendments in light of changes in the industry; certain sound audit, reporting, and audit committee practices incorporated in the Sarbanes-Oxley Act of 2002; and the FDIC's experience in administering Part 363. The amendments also provide clearer and more complete guidance for compliance with Part 363.

Distribution:

Selected FDIC-Insured Institutions

Suggested Routing:

Chief Executive Officer
Chief Financial Officer
Board of Directors
Audit Committee

Related Topics:

Federal Deposit Insurance Act Section 36
Part 363 of the FDIC's Regulations

Attachments:

- Final Rule Amending Part 363
- Part 363 Annual Reports and Other Required Reports

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Note:

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Highlights:

- **Annual Reporting Requirements** – As amended, Part 363 requires disclosure of the internal control framework and identified material weaknesses, provides relief from reporting for certain merged institutions, provides relief from reporting on internal control for acquired businesses, requires management's assessment of compliance with laws and regulations to disclose any noncompliance, and provides illustrative management reports.
- **Independent Public Accountants** – As amended, Part 363 clarifies the independence standards applicable to accountants, requires certain communications to audit committees, and establishes a uniform retention requirement for audit working papers.
- **Filing and Notice Requirements** – The amendments extend the annual report filing deadline for nonpublic institutions and include a late filing notification requirement.
- **Audit Committees** – The amendments specify the audit committee's duties regarding the independent public accountant, require audit committees to ensure that audit engagement letters do not contain unsafe and unsound limitation of liability provisions, and require boards of directors to develop and apply written criteria for evaluating audit committee members' independence.
- **Scope** – The amendments revise the criteria for institutions to comply with Part 363 at a holding company level.