

FEDERAL RESERVE BOARD

WASHINGTON

October 8, 1924.
St. 4264.

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

SUBJECT: Auditing Departments of
Federal Reserve Banks.

Dear Sir:

An examination of the outlines covering the work performed by the Auditing Departments of the Federal reserve banks recently received by this Committee, indicates that a considerable variation exists in the auditing procedure of the Federal Reserve banks. It would seem, however, in view of the similarity of work performed by the reserve banks, that the essential functions of an auditing department in one Federal reserve bank should not be materially different from those in another, and for this reason it has been decided to appoint a committee of bank officers to make a complete study of this subject and submit a report thereon. The committee named is as follows:

Mr. L. R. Rounds, Chairman,
General Auditor, Federal Reserve Bank of New York

Mr. F. H. Holman,
Auditor, Federal Reserve Bank of San Francisco

Mr. J. S. Walden, Jr.,
Controller, Federal Reserve Bank of Richmond.

The work of auditing is of very great importance to the reserve banks and should at all times be carried on with a view to providing adequate protection with a minimum of expense.

Each reserve bank is entitled to, and should have, the benefit of the experience of every other reserve bank, and the committee believes that this result can best be accomplished by having a committee of experts, who are thoroughly familiar with all operations of Reserve banking, formulate a standard of auditing procedure which may be used by each bank in its auditing work. It is believed that if the above-named committee submits a complete plan for auditing which can be accepted by all reserve banks as the standard for their auditing procedure, the result will not only be a substantial saving of expense but an improvement in auditing methods as well.

Very truly yours,

Geo. R. James, Chairman,
Committee on Salaries,
Expenditures and Efficiency.

LETTER TO CHAIRMAN AT EACH FEDERAL RESERVE BANK

COPY TO GOVERNOR