

## **The Division of Supervision and Consumer Protection's Reporting on Issues Related to Problem Banks**

(Audit Report No. 03-022, March 31, 2003)

### **Summary**

The Office of Inspector General (OIG) has completed an audit of the Division of Supervision and Consumer Protection's (DSC) reporting on issues related to problem banks. The objective of the audit was to determine the extent and type of information that DSC reported to the Federal Deposit Insurance Corporation's (FDIC) Board of Directors (Board) on problem banks.

The scope of the work conducted during this audit was designed to determine the extent and type of information that DSC reported to the FDIC's Board on problem banks, undercapitalized institutions, and supervisory actions taken under Section 38, *Prompt Corrective Action*, of the Federal Deposit Insurance Act. We specifically reviewed the reporting process for problem banks including, but not limited to, the type, sources, frequency, consistency, and distribution of information reported on problem banks, undercapitalized institutions, and Section 38 actions. We concluded that DSC could more efficiently and effectively report problem bank information and better secure the information that it maintains.

### **Recommendations**

The OIG made recommendations to the Director, Division of Supervision and Consumer Protection, to improve efforts to efficiently and effectively report on problem banks, ensuring that all problem bank information is appropriate for users' needs and information is accurate, consistent, and secure.

DSC's response to the recommendations was considered adequate.

This report addresses issues associated with problem banks. Accordingly, we have not made, nor do we intend to make, public release of the specific contents of the report.