

**Findings Most Likely to Result in an "Inadequate"
Audit Opinion or Field Exam Conclusion**

**FY 2005 Chapter 7 Audits and Field Exams
All Regions**

| | <u>FY 2003</u> | <u>FY 2004</u> | <u>FY 2005</u> |
|---|----------------|----------------|----------------|
| <i>Number of OIG Audits:</i> | 145 | 0 | 0 |
| <i>Number of UST Field Exams:</i> | 102 | 134 | 108 |
| <i>Number of CPA Audits:</i> | 0 | 201 | 169 |
| <i>Total</i> | <u>247</u> | <u>335</u> | <u>277</u> |
| <i>Reports with "Inadequate" Opinion/Conclusion</i> | <u>18</u> | <u>9</u> | <u>11</u> |

| Description of Finding | FY 2005 Findings |
|--|------------------|
| Case Administration Issues | |
| <i><u>Investigation, Liquidation, and Collection of Assets:</u></i> | |
| Assets sold to insiders or related parties | 1 |
| Estate assets not secured or untimely secured | 22 |
| Trustee or auctioneer cannot account for all assets | 6 |
| Untimely, inadequate, or no inventory of estate assets | 19 |
| Untimely turnover of auction proceeds | 17 |
| Internal Controls | |
| <i><u>Bank Accounts:</u></i> | |
| Funds deposited to non-estate accounts (commingled) | 12 |
| <i><u>Disbursements:</u></i> | |
| Signature stamp not controlled by trustee or was used to sign checks | 4 |
| Evidence that checks have been signed before filled out | 0 |
| Use of counter checks or money orders | 0 |
| Checks payable to "cash" or "bearer" | 0 |
| <i><u>Receipts:</u></i> | |
| Undeposited funds in estate file or other unsecure location | 8 |
| <i><u>Segregation of Duties and Office Operations:</u></i> | |
| Trustee does not actively supervise employees | 2 |
| <i><u>Computer Operations and Security:</u></i> | |
| Trustee/staff cannot operate computer system | 6 |
| Total Number of Audit Findings | 96 |