Summary of Findings from
FY2010 - FY2012 Chapter 7 Audits and Field Exams
All Regions

	FY 2008	FY 2009	FY2010	FY 2011	FY 2012
Number of UST Field Exams:	*88*	*75*	*83*	*79*	*121*
Number of CPA Audits:	*251*	*165*	*197*	*178*	*115*
Total	*339*	*240*	*280*	*257*	*236*

Description of Finding	Number of Findings		
	FY 2010	FY 2011	FY 2012
Case Administration Issues			
Investigation, Liquidation, and Collection of Assets:			
No or inadequate tracking system for receivables	25	14	25
Asset values not verified or reasonably determined	165	118	100
Asset admin decisions not adequately documented	37	33	31
Casualty insurance not verified or obtained when appropriate	25	24	26
Auctioneer insurance not verified or maintained	1	1	8
No, inadequate, or untimely report of sale/auctioneer's report	53	65	68
Assets not timely investigated, pursued, liquidated or collected	41	46	52
Estate assets not secured or untimely secured	18	8	19
Untimely, inadequate, or no inventory of estate assets	7	13	13
Sale/settlement without notice or court order/does not comply with Code	30	19	21
Untimely turnover of auction proceeds	18	12	10
Trustee or auctioneer cannot account for all assets	3	8	3
Assets sold to insiders/related parties		1	

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Abandonments and Exemptions:			
Formal abandonment (554a) not made when appropriate	8	6	12
No or untimely objection to improper exemptions	2		1
Case Administration:			
Delay in case administration	133	95	63
Asset case determination not proper (s/b no asset case)		2	2
No or inadequate case progress review	71	74	61
No-asset case determination not proper (s/b asset case)	4	1	
No-asset case not adequately investigated or documented	1	4	
Inadequate civil enforcement procedures	3	1	1
Non-compliance with DSO noticing guidelines	59	76	60
Bonding:			
Trustee underbonded	1		1
Auctioneer bond not verified, inadequate or not obtained	6	4	2
Other Case Administration Issues:			
Estate funds not properly invested	10	2	
High yield investments not used when appropriate	33		
Inadequate supervision of professionals	34	34	35
Untimely notice to UST/insurance claim for lost/stolen assets	1		1
Estate tax returns not prepared / filed when appropriate	9	10	14

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Reporting Issues			
Asset Tracking / Case Status:			
Scheduled assets on Form 1 do not match petition/schedules	210	190	146
Unscheduled assets not recorded or properly identified on Form 1	119	133	119
Asset status not accurately reflected and tracked on Form 1	124	114	109
Abandonments not properly tracked on Form 1	87	69	77
Miscellaneous Form 1 errors	114	120	112
Liquidation (column 5) not or improperly recorded on Form 1	59	44	22
Misc. Form 3 errors / not prepared / does not agree to Form 1 and / or Form	87	57	63
Form 3 / bank report has No Distribution Report filed in case with	49	36	32
Cases omitted from Form 3	23	22	10
Form 2 not prepared, maintained or submitted and miscellaneous Form 2	18	31	51
Receipts not properly referenced between Forms 1 & 2	77	58	31
Forms 1 and 2 not kept up to date	7	5	2
Inaccurate uniform transaction codes	129	124	104
Transaction not recorded on Form 2	19	12	14
Description not recorded or inaccurately recorded on Form 2	79	85	53
Form 2 contains inaccurate payee/payor information	32	21	18
Internal Controls			

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Bank Accounts:			
Bank accounts not timely or properly reconciled or reviewed	140	160	144
Funds deposited to non-estate accounts (commingled)	6	2	3
Void checks not accounted for	2	2	9
Bank statements / checks not properly captioned	35	10	10
Missing bank statements	17	12	19
Unauthorized depository or improper / unreported bank account	11	4	4
Unopened bank statements not received / reviewed directly by trustee	5	4	
Missing cancelled checks	9	2	6
Receipts and Disbursements			
Disbursements:			
Incorrect amount paid	3	1	3
No stale-dated check policy / no "Void after 90 days"	30	24	14
Checks not properly prenumbered / sequentially numbered	17	15	4
Blank checks not properly secured	3	1	
Disbursements without court order (when required)	13	9	11
No invoices / support for expenses	11	10	13
Invoices not approved / reviewed / cancelled by trustee	32	33	19

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No log for disbursment checks that have control numbers	2		3
Unauthorized disbursements by wire transfer / cashier's check	4	7	2
Signature stamp not controlled by trustee or was used to sign checks		2	1
Starter checks not destroyed after receipt of permanent checks			
Check altered or contains unusual endorsement			
Evidence that checks have been signed before filled out			
Use of counter checks or money orders			
Checks payable to "cash" or "bearer"			
Receipts:			
Cash receipts log not used or properly maintained	28	25	30
Receipts log not maintained by person who opens mail	87	72	49
Receipts not recorded in receipts log	34	25	33
Receipts not traced from log to bank statement or initialed by trustee	47	46	23
Untimely deposits	35	37	32
No numbered receipts book or receipts not given	2	4	6
No or insufficient supporting documents for receipts	28	26	22
Incoming checks not made payable to estate / trustee	5	3	3
Deposit slips missing / not secured	3	2	2
No or inadequate NSF tracking procedure	3	3	1
Checks not restrictively endorsed immediately upon receipt	7	15	14
Undeposited funds in estate file or other unsecure location	1		2

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Earnest monies not properly accounted for	4	2	
Segregation of Duties and Files and Records			
Segregation of Duties and Office Operations:			
Insufficient segregation of duties	15	24	32
Trustee does not actively supervise employees	1		2
File Maintenance / Records Retention:			
No disaster recovery plan	8	14	12
Files not maintained in business-like manner	4	5	9
Case files / accounting records missing or not retained/secured	5	11	19
Computer Operations and Security			
Computer Operations and Security:			
Hardware and software not secure	4	3	3
Passwords known to others / not changed annually	13	9	1
Application access controls not properly implemented	40	25	21
Insufficient computer back-up procedures	3	5	2
Transactions can be deleted/changed			
Trustee / staff cannot operate computer system	3	2	2

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Repeat findings / Prior deficiencies not corrected	188	173	127
Other Miscellaneous Findings (not otherwise classified)	25	27	56
Total Number of Audit Findings	2965	2648	2359
Number of Audit/Field Exam Reports with No Findings	3	3	1