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# Highlights

Highlights of [GAO-03-543](#), a report to the President of the Senate and the Speaker of the House of Representatives

## Why GAO Did This Study

Created in 1933 to insure bank deposits and promote sound banking practices, the Federal Deposit Insurance Corporation (FDIC) plays an important role in maintaining public confidence in the nation's financial system. In 1989, legislation to reform the federal deposit insurance system created three funds to be administered by FDIC: the Bank Insurance Fund and the Savings Association Insurance Fund, which protect bank and savings deposits, and the FSLIC Resolution Fund, created to close out the business of the former Federal Savings and Loan Insurance Corporation. GAO is responsible for obtaining reasonable assurance about whether FDIC's financial statements for the funds are presented fairly, whether it maintains effective internal controls, and whether FDIC has complied with selected laws and regulations.

## What GAO Recommends

Because of the sensitive nature of the weaknesses in control over information systems, GAO will report the details, along with recommendations for corrective actions, in a separate report to FDIC management.

[www.gao.gov/cgi-bin/getrpt?GAO-03-543](http://www.gao.gov/cgi-bin/getrpt?GAO-03-543).

To view the full report, including the scope and methodology, click on the link above. For more information, contact Jeanette Franzel at (202) 512-9406 or [franzelj@gao.gov](mailto:franzelj@gao.gov).

## FINANCIAL AUDIT

# FDIC Funds' 2002 and 2001 Financial Statements

## What GAO Found

In GAO's opinion, FDIC fairly presented the 2002 and 2001 financial statements for the three funds it administers—the Bank Insurance Fund, the Savings Association Insurance Fund, and the FSLIC Resolution Fund. GAO also found that, although certain controls should be improved, FDIC had effective control over financial reporting and compliance. GAO did not find reportable instances of noncompliance with the laws and regulations it tested.

Although FDIC made progress in response to previous reports, GAO found weaknesses in control over information systems. Newly identified and continuing weaknesses impaired FDIC's ability to ensure the reliability, confidentiality, and availability of financial data. For example, information system controls did not adequately to ensure that users had only the access needed to perform their assigned duties, that FDIC's network was secure from unauthorized access, or that unusual or suspicious access would be identified.

At the time of the audit, FDIC had made progress in implementing a corporatewide security management program, including establishing a central security staff to provide guidance and oversight in enhancing its security awareness program, and in its continuing efforts to develop and update security policy.



Source: GAO.

As of September 30, 2002, FDIC insured deposits totaling over \$3.3 trillion.