In GAO’s opinion, FDIC fairly presented the 2003 and 2002 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 substantial progress during the past year it has not yet fully implemented a comprehensive corporatewide security management program. FDIC only recently established a program to test and evaluate its computer control environment and the program did not adequately address all key areas. GAO continued to identify information system control weaknesses that increased the risk of unauthorized disclosure of critical FDIC financial and sensitive personnel and bank information, disruption of critical operations, and loss of assets. A mature comprehensive ongoing program of tests and evaluations of controls would enable FDIC to better identify and correct security problems, such as those found in our review.

As of September 30, 2003, FDIC insured deposits totaling over $3.4 trillion.