

GAO Highlights

Highlights of [GAO-23-104786](#), a report to the Fiscal Assistant Secretary, Department of the Treasury

Why GAO Did This Study

The General Fund of the U.S. government is the reporting entity responsible for accounting for the cash activity of the U.S. government. The Secretary of the Treasury has delegated management of the General Fund to Fiscal Service. In fiscal year 2022, the General Fund reported \$23.2 trillion of cash inflows, including debt issuances and tax collections, and \$22.8 trillion of cash outflows, including debt repayments. It also reported a budget deficit of \$1.4 trillion, which includes both cash and noncash activity.

GAO audits the consolidated financial statements of the U.S. government. Because of the significance of the General Fund to the government-wide financial statements, GAO audited the fiscal year 2022 Schedules of the General Fund to determine whether, in all material respects, (1) the Schedules of the General Fund are fairly presented and (2) Fiscal Service management maintained effective internal control over financial reporting relevant to the Schedules of the General Fund. Further, GAO tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements related to the Schedules of the General Fund.

What GAO Recommends

GAO is making six recommendations to improve Fiscal Service's internal control over financial reporting relevant to the Schedules of the General Fund.

In commenting on a draft of this report, Fiscal Service concurred with the results of GAO's audit and stated that it will factor corrective actions into the audit remediation plan.

View [GAO-23-104786](#). For more information, contact Anne Sit-Williams at (202) 512-7795 or sitwilliamsa@gao.gov.

March 2023

FINANCIAL AUDIT

Bureau of the Fiscal Service's FY 2022 Schedules of the General Fund

What GAO Found

Certain deficiencies in internal control over financial reporting resulted in scope limitations that

1. prevented GAO from expressing an opinion on the Schedules of the General Fund as of and for the fiscal year ended September 30, 2022;
2. prevented GAO from obtaining sufficient appropriate audit evidence to provide a basis for an opinion on the effectiveness of the Bureau of the Fiscal Service's internal control over financial reporting relevant to the Schedules of the General Fund as of September 30, 2022; and
3. limited tests of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements for fiscal year 2022.

The scope limitations and underlying control deficiencies related to Fiscal Service's inability to readily (1) identify and trace General Fund transactions to determine whether they were complete and properly recorded in the correct general ledger accounts and line items within the Schedules of the General Fund, which GAO determined to be a significant deficiency, and (2) provide sufficient appropriate audit evidence to support the account attributes assigned to active Treasury Account Symbols that determine how transactions are reported in the line items of the Schedules of the General Fund. As a result of these limitations, GAO cautions that amounts Fiscal Service reported in the Schedules of the General Fund and related notes may not be reliable.

In addition to the deficiencies that contributed to GAO's disclaimer of opinion on the Schedules of the General Fund, GAO found two other significant deficiencies in internal control related to (1) information systems controls (which includes information system control deficiencies that were reported in connection with the audits of the Department of the Treasury's consolidated financial statements and the Schedules of Federal Debt) and (2) management's monitoring of internal control over financial reporting.

GAO is making six new recommendations to improve Fiscal Service's internal control over financial reporting related to the Schedules of the General Fund. During fiscal year 2022, based on Fiscal Service's actions taken, GAO closed 14 of the 19 recommendations that remained open from GAO's previous audits and continued to make progress on remediating the remaining five recommendations that remain open as of September 30, 2022. Fiscal Service continued to express its commitment to remediating these deficiencies.