



U.S. GOVERNMENT ACCOUNTABILITY OFFICE

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Comptroller General
of the United States

May 10, 2022

The Honorable Janet Yellen
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Priority Open Recommendations: Department of the Treasury

Dear Madame Secretary:

The purpose of this letter is to provide an update on the overall status of the U.S. Department of the Treasury's implementation of GAO's recommendations and to call your continued personal attention to areas where open recommendations should be given high priority.¹

In November 2021, we reported that on a government-wide basis, 76 percent of our recommendations made 4 years ago were implemented.² Treasury's implementation rate was 76 percent. As of May 2022, Treasury had 165 open recommendations, not including recommendations to the Internal Revenue Service (IRS), which are addressed in a separate letter to the Commissioner. We will send a copy of that letter to your office. Fully implementing these open recommendations could significantly improve Treasury's operations.

Since our June 2021 letter, Treasury has implemented three of our 21 open priority recommendations. Specifically, Treasury has:

- Updated its strategy to help reduce erroneous payments of the Earned Income Tax Credit (EITC) to ineligible recipients, as we recommended in our April 2020 report.
- Implemented two recommendations from our August 2020 report for improving procedures for preparing the U.S. government's consolidated financial statements.

¹Priority open recommendations are those that GAO believes warrant priority attention from heads of key departments or agencies. They are highlighted because, upon implementation, they may significantly improve government operations, for example, by realizing large dollar savings; eliminating mismanagement, fraud, and abuse; or making progress toward addressing a high-risk or duplication issue.

²GAO, *Performance and Accountability Report: Fiscal Year 2021*, [GAO-22-4SP](#) (Washington, D.C.: November 2021).

We ask your continued attention on the remaining priority recommendations. We are also adding four new recommendations related to improving program oversight and controls, improving protections for workers' retirement savings, and increasing availability and transparency of government data. This brings the total number of current priority recommendations to 22. (See the enclosure for the list of recommendations and actions needed to implement them.)

Treasury's 22 priority recommendations fall into the following six areas.

1. Improving program oversight and controls. Implementing four priority recommendations in this area would improve Treasury's ability to oversee billions of dollars in COVID-19 relief funds and tax expenditures. Given the ongoing response to the pandemic, controls over the \$350 billion in Coronavirus State and Local Fiscal Recovery Funds and \$46.55 billion in Emergency Rental Assistance are of particular importance. Although tax expenditures are used routinely as a policy tool, they are not regularly reviewed and their outcomes are not measured as closely as spending programs' outcomes.

2. Improving cybersecurity. Banking is part of the nation's critical infrastructure that provides essential services that underpin American society.³ Recent high profile cyberattacks targeting the public and private sectors highlight the urgent need to address cybersecurity weaknesses. Treasury has a lead role in working with other financial sector federal agencies and partners to better measure progress and to prioritize efforts in line with sector cybersecurity goals. By fully implementing three priority recommendations in this area, Treasury could improve cybersecurity across the financial service sector and address cyber-related workforce planning shortfalls.

3. Modernizing the U.S. financial regulatory system. One priority recommendation in this area would help modernize the complex U.S. financial regulatory system, where responsibilities are fragmented among a number of regulators with overlapping authorities. In December 2018, we found that some financial technology lenders used alternative data (that is, data not traditionally used by national consumer reporting agencies) in making credit decisions or attempting to detect fraud. However, using alternative data presents potential benefits and risks. To fully implement this priority recommendation, federal banking regulators should provide affected banks specific direction on the appropriate use of alternative data in the underwriting process.

4. Improving protections for workers' retirement savings. One priority recommendation focuses on reevaluating vesting policies to make it easier for workers in a mobile labor force to keep employers' contributions and build their retirement savings. Vesting policies require employees to work for a certain period of time to keep employer contributions to their 401(k) retirement accounts. The current federal rules permitting up to a 6-year vesting period are 21 years old and may be outdated.⁴ Implementing this recommendation would help determine whether current policies are appropriate for today's mobile workforce.

³GAO, *Critical Infrastructure Protection: Agencies Need to Assess Adoption of Cybersecurity Guidance*, [GAO-22-105103](#) (Washington, D.C.: Feb. 9, 2022).

⁴26 U.S.C. § 411(a)(2)(B); 29 U.S.C. § 1053(a)(2)(B).

5. Improving federal financial management. Long-standing material weaknesses have contributed to us being unable to express an opinion on the consolidated financial statements of the U.S. government. The weaknesses relate to (1) accounting for intragovernmental activity and balances, (2) preparing the consolidated financial statements, and (3) reconciling the budget deficit to net operating cost and changes in cash balance. Implementing 12 priority recommendations in this area would improve the processes used to prepare the consolidated financial statements of the U.S. government and the Schedules of the General Fund.

6. Increasing availability and transparency of government data. Federal spending data websites let users search, download, and analyze how the U.S. government spends public funds. In December 2021, we reported that USAspending.gov users had difficulties locating disclosures of data limitations. By implementing one priority recommendation in this area, Treasury would reduce the risks of users inadvertently drawing inaccurate conclusions or losing confidence in the data.

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In March 2021, we issued our biennial update to our [High-Risk List](#), which identifies government operations with greater vulnerabilities to fraud, waste, abuse, and mismanagement or the need for transformation to address economy, efficiency, or effectiveness challenges.⁵

Two of our high-risk areas—[modernizing the U.S. financial regulatory system](#) and [enforcement of tax laws](#)—center directly on Treasury. While there are currently no priority recommendations for Treasury related to the housing finance system, that issue is also on our High-Risk List. [Resolving the federal role in housing finance](#) will require leadership commitment and action by Congress and Treasury. Treasury provided significant capital support to Fannie Mae and Freddie Mac following the 2007-2009 financial crisis and their futures remain uncertain with billions of federal dollars at risk.

Several other government-wide high-risk areas also have direct implications for Treasury and its operation. These include (1) [ensuring the cybersecurity of the nation](#), (2) [improving the management of IT acquisitions and operations](#), (3) [strategic human capital management](#), (4) [managing federal real property](#), and (5) [government-wide security clearance process](#). We urge your attention to the two high-risk issues that center directly on Treasury and the government-wide issues as they relate to Treasury. Progress on high-risk issues has been possible through the concerted actions and efforts of Congress, the Office of Management and Budget (OMB), and the leadership and staff in agencies, including Treasury. In March 2022, we issued a report on key practices to successfully address high-risk areas, which can be a helpful resource as your agency continues to make progress to address high-risk issues.⁶

Copies of this letter are being sent to the Director of OMB and appropriate congressional committees including the Committees on Appropriations, Budget, Finance, and Homeland Security and Governmental Affairs, United States Senate; and the Committees on Appropriations, Budget, Oversight and Reform, and Ways and Means, United States House of

⁵GAO, *High-Risk Series: Dedicated Leadership Needed to Address Limited Progress in Most High-Risk Areas*, [GAO-21-119SP](#) (Washington, D.C.: Mar. 2, 2021).

⁶GAO, *High-Risk Series: Key Practices to Successfully Address High-Risk Areas and Remove Them from the List*, [GAO-22-105184](#) (Washington, D.C.: Mar. 3, 2022).

Representatives. In addition, the letter will be available on the GAO website at <http://www.gao.gov>.

I appreciate Treasury's commitment to these important issues especially during this exceedingly challenging time. If you have any questions or would like to discuss any of the issues outlined in the letter, please do not hesitate to contact me or Michelle Sager, Managing Director, Strategic Issues, at sagerm@gao.gov or 202-512-6806. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Our teams will continue to coordinate with your staff on all of the 165 open recommendations, as well as those additional recommendations in the high-risk areas for which Treasury has a leading role. Thank you for your attention to these matters.

Sincerely yours,

A handwritten signature in black ink that reads "Gene L. Dodaro". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Gene L. Dodaro
Comptroller General of the United States

Enclosure –1

cc: The Honorable Shalanda Young, Director, OMB
The Honorable Wally Adeyemo, Deputy Secretary, Treasury
The Honorable David Lebryk, Fiscal Assistant Secretary, Treasury
The Honorable Charles P. Rettig, Commissioner, IRS
The Honorable James Martin, Acting Director, Office of Financial Research

Enclosure

Priority Open Recommendations: Department of the Treasury

1. Improving Program Oversight and Controls

COVID-19: Additional Actions Needed to Improve Accountability and Program Effectiveness of Federal Response. [GAO-22-105051](#). Washington, D.C.: October 27, 2021.

Recommendation: The Secretary of the Treasury should design and document timely and sufficient policies and procedures for monitoring recipients of Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) to provide assurance that recipients are managing their allocations in compliance with laws, regulations, agency guidance, and award terms and conditions, including ensuring that expenditures are made for allowable purposes.

Action needed: Treasury agreed with the recommendation. As of February 2022, Treasury officials stated they are taking steps toward developing processes for monitoring recipients of CSLFRF. To fully implement this recommendation, Treasury needs to finalize and implement those processes to guide CSLFRF program officials and other responsible oversight parties in the Office of Recovery Programs. Until Treasury properly designs and documents these policies and procedures, control activities needed to help ensure program management fulfills its recipient monitoring and oversight responsibilities may not be applied effectively and consistently.

Director: M. Hannah Padilla, Financial Management and Assurance
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COVID-19: Significant Improvements Are Needed for Overseeing Relief Funds and Leading Responses to Public Health Emergencies. [GAO-22-105291](#). Washington, D.C.: January 27, 2022.

Recommendation: The Secretary of the Treasury should design and implement processes, such as post-payment reviews or recovery audits, to help ensure timely identification and recovery of overpayments made by grantees to households, landlords, or utility providers in the Emergency Rental Assistance programs.

Action needed: Treasury agreed with our recommendation and stated that it is working to establish post-payment reviews and recovery audit activities within the schedule prescribed in Treasury's Implementation Guide for OMB Circular A-123 Appendix C: Requirements for Payment Integrity. Treasury also stated that it will be approving and initiating an Emergency Rental Assistance (ERA) desk review plan that uses risk-based analytics to identify the highest-risk ERA recipients. As of March 2022, the department had not provided evidence to demonstrate that it had established post-payment review and recovery audit activities.

To fully implement this recommendation, Treasury needs to have in place a process for conducting effective post-payment reviews or recovery audits to identify and recover ERA overpayments made by grantees. Until Treasury fully implements those processes, Treasury's ability to consistently identify and recover overpayments made by grantees—including those resulting from potential fraud—will be delayed or impossible.

Director: M. Hannah Padilla, Financial Management and Assurance
Contact information: padillah@gao.gov or 202-512-5683

Director: Daniel Garcia-Diaz, Financial Markets and Community Investment
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Government Performance and Accountability: Tax Expenditures Represent a Substantial Federal Commitment and Need to be Reexamined. [GAO-05-690](#). Washington, D.C.: September 23, 2005.

Recommendation: To ensure that policymakers and the public have the necessary information to make informed decisions and to improve the progress toward exercising greater scrutiny of tax expenditures, the Director of OMB, in consultation with the Secretary of the Treasury, should develop and implement a framework for conducting performance reviews of tax expenditures. In developing the framework, the Director should

- determine which agencies will have leadership responsibilities to review tax expenditures, how reviews will be coordinated among agencies with related responsibilities, and how to address the lack of credible performance information on tax expenditures;
- set a schedule for conducting tax expenditure evaluations;
- re-establish appropriate methods to test the overall evaluation framework and make improvements as experience is gained; and
- identify any additional resources that may be needed for tax expenditure reviews.

Action needed: At the time of our report, Treasury deferred to the Office of Management and Budget (OMB). OMB agreed the recommendation had promise and that Treasury would be responsible for carrying out tax expenditure evaluations. Neither Treasury nor OMB had taken action on this recommendation as of March 2022. OMB has not reported progress on exploring options to develop an evaluation framework or its collaboration with Treasury. We continue to believe that Treasury should consult with OMB to develop and implement a framework for evaluating tax expenditures and preliminary performance measures. Such action would inform policy decisions about the efficiency, effectiveness, and equity of tax expenditures and help policymakers determine whether tax expenditures are the best tool for accomplishing federal objectives within a functional area.

Director: James R. McTigue, Jr., Strategic Issues
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New Markets Tax Credit: Better Controls and Data Are Needed to Ensure Effectiveness. [GAO-14-500](#). Washington, D.C.: July 10, 2014.

Recommendation: The Secretary of the Treasury should issue guidance on how funding or assistance from other government programs can be combined with the New Markets Tax Credit (NMTC). This includes the extent to which other government funds can be used to leverage the NMTC by being included in the qualified equity investment.

Action needed: While Treasury neither agreed nor disagreed with this recommendation, Community Development Financial Institutions (CDFI) Fund officials informed us in February

2022 that they still plan to solicit public comments on additional data to be collected from the Community Development Entities. The CDFI Fund intends to use these data to identify NMTC-financed projects that may have excessive public funding. Once fully implemented, these additional actions would respond to the intent of our recommendation, and could help ensure that low-income community projects do not receive more government assistance than required to finance a project.

High-risk area: [Enforcement of Tax Laws](#)

Director: James R. McTigue, Jr., Strategic Issues

Contact information: mctiguej@gao.gov or (202) 512-6806

2. Improving Cybersecurity

Critical Infrastructure Protection: Additional Actions Are Essential for Assessing Cybersecurity Framework Adoption. [GAO-18-211](#). Washington, D.C.: February 15, 2018.

Recommendation: The Secretary of Treasury should take steps to consult with respective sector partner(s), such as the sector coordinating council, Department of Homeland Security, and the National Institute of Standards and Technology (NIST), as appropriate, to develop methods for determining the level and type of framework adoption by entities across their respective sector.

Action needed: Treasury neither agreed nor disagreed with this recommendation, stating that it does not have the authority to compel entities to share cybersecurity framework (framework) adoption data. Treasury identified steps to facilitate and encourage framework use. Officials in Treasury's Office of Cybersecurity and Critical Infrastructure Protection stated that the Financial Services Sector Coordinating Council developed a cybersecurity profile for the sector that is based on the NIST cybersecurity framework. The profile maps the framework's five core functions to existing regulations and guidance for financial services entities. We reported in February 2022 that officials in Treasury's Office of Cybersecurity and Critical Infrastructure Protection believed financial services entities focus on implementing what regulators require, so increasing the regulators' recognition and adoption of the framework could lead to greater use.⁷

However, as of February 2022, Treasury had yet to develop methods to determine the level and type of framework adoption. Despite Treasury's actions to promote the use of the framework, officials stated that they do not have the authority to compel members of the financial services sector to respond to inquiries regarding adoption and, therefore, cannot track implementation of the framework. Although the lack of authority is challenging, implementing the recommendation to gain a more comprehensive understanding of the framework's use by the critical infrastructure sector is essential to the success of cybersecurity protection efforts.

High-risk area: [Ensuring the Cybersecurity of the Nation](#)

Acting Director: Dave Hinchman, Information Technology and Cybersecurity

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⁷[GAO-22-105103](#).

Cybersecurity Workforce: Agencies Need to Accurately Categorize Positions to Effectively Identify Critical Staffing Needs. [GAO-19-144](#). Washington, D.C.: March 12, 2019.

Recommendation: To complete the appropriate assignment of codes to its positions performing IT, cybersecurity, or cyber-related functions, in accordance with the requirements of the Federal Cybersecurity Workforce Assessment Act of 2015, the Secretary of Treasury should take steps to review the assignment of the "000" code to any positions in the department in the 2210 IT management occupational series and assign the appropriate National Initiative for Cybersecurity Education framework work role codes.⁸

Action needed: Treasury partially concurred with the recommendation and stated that it planned to review and validate the work role codes of its IT, cybersecurity, or cyber-related positions. As of February 2022, the department had not yet provided sufficient evidence to demonstrate that it had completed its efforts to validate work role codes. To fully implement this recommendation, Treasury needs to assign work role codes that are consistent with the IT, cybersecurity, and cyber-related functions performed by these positions. Until Treasury completes this recommendation, it will continue to have unreliable information about its cybersecurity workforce.

High-risk area: [Ensuring the Cybersecurity of the Nation](#)

Acting Director: Dave Hinchman, Information Technology and Cybersecurity

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IT Workforce: Key Practices Help Ensure Strong Integrated Program Teams; Selected Departments Need to Assess Skill Gaps. [GAO-17-8](#). Washington, D.C.: November 30, 2016.

Recommendation: To facilitate the analysis of gaps between current skills and future needs, the development of strategies for filling the gaps, and succession planning, the Secretary of the Treasury should require the Chief Information Officer, Chief Human Capital Officer, and other senior managers as appropriate to address the shortfalls in IT workforce planning, including the following actions:

- Establish and maintain a workforce planning process;
- Develop competency and staffing requirements for all positions;
- Assess competency and staffing needs regularly;
- Assess gaps in competencies and staffing for all components of the workforce;
- Develop strategies and plans to address gaps in competencies and staffing for all components of the workforce;
- Implement activities that address gaps, including a career path for program managers and special hiring authorities, if justified and cost effective;
- Monitor the department's progress in addressing competency and staffing gaps; and
- Report to department leadership on progress in addressing competency and staffing gaps for all components of the workforce.

⁸Consolidated Appropriations Act, 2016, Pub. L. No. 114-113, div. N, §§ 301–305, 129 Stat. 2242, 2975–2977 (2015).

Action needed: Treasury agreed with this recommendation. In October 2019, we reported that Treasury had fully implemented the activity to develop competency and staffing requirements.⁹ In March 2021, Treasury also provided documentation demonstrating that it had fully implemented the activity to assess competency and staffing needs regularly. In March 2022, Treasury provided documentation demonstrating that it had implemented the activities to assess gaps in competencies and staffing, and to develop strategies and plans to address gaps in competencies and staffing. In addition, the agency provided evidence of progress it had made toward implementing the remaining four activities but did not provide expected timeframes for completion. Until Treasury fully implements those remaining four activities, it is at increased risk of not having the IT staff with the necessary knowledge, skills, and abilities to execute a range of management functions that support its mission and goals.

High-risk areas: [Improving the Management of IT Acquisitions and Operations](#) and [Strategic Human Capital Management](#)

Acting Director: Dave Hinchman, Information Technology and Cybersecurity

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3. Modernizing the U.S. Financial Regulatory System

Financial Technology: Agencies Should Provide Clarification on Lenders' Use of Alternative Data. [GAO-19-111](#). Washington, D.C.: December 19, 2018.

Recommendation: The Comptroller of the Currency should, in coordination with the other federal banking regulators and the Consumer Financial Protection Bureau and with input from relevant stakeholders, communicate in writing to banks that engage in third-party relationships with financial technology (fintech) lenders on the appropriate use of alternative data in the underwriting process, including issues to consider when selecting types of alternative data to use.

Action needed: The Comptroller of the Currency agreed with the recommendation. In December 2019, the Office of the Comptroller of the Currency (OCC), in coordination with other banking regulators and the Consumer Financial Protection Bureau, issued an interagency statement on the use of alternative data in credit underwriting. The statement highlights potential benefits and risks of using alternative data and encourages firms to use the data responsibly.

However, the statement does not provide firms or banks with specific direction on the use of alternative data. In March 2021, the federal banking regulators and the Consumer Financial Protection Bureau issued a request for information (RFI) on Financial Institutions' Use of Artificial Intelligence, including Machine Learning,¹⁰ and in July 2021, the banking regulators issued proposed third party risk management guidance for comment,¹¹ both of which discuss

⁹GAO, *Information Technology: Agencies Need to Fully Implement Key Workforce Planning Activities*, [GAO-20-129](#) (Washington, D.C.: Oct. 30, 2019).

¹⁰86 Fed. Reg. 16837 (Mar. 31, 2021). In May 2021, the agencies extended the comment period for this RFI to July 1, 2021. 86 Fed. Reg. 27960 (May 24, 2021).

¹¹86 Fed. Reg. 38182 (July 19, 2021).

alternative data. In December 2021, the agencies told us they were working together regarding next steps on both the RFI and proposed guidance, but they did not have a timeframe for completing them.

The agencies have not finalized the proposed guidance nor issued any documentation related to the RFI as of February 28, 2022. To fully implement this recommendation, OCC needs to provide—in coordination with other federal banking regulators and the Consumer Financial Protection Bureau—finalized written communication that gives banks that engage in third party relationships with fintech lenders specific direction on the appropriate use of alternative data in the underwriting process. Without such direction, banks partnering with financial technology lenders may not effectively manage associated risks, including compliance with fair lending and other consumer protection laws.

High-risk area: [Modernizing the U.S. Financial Regulatory System](#)

Director: Michael E. Clements, Financial Markets and Community Investment

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4. Improving Protections for Workers' Retirement Savings

401(K) Plans: Effects of Eligibility and Vesting Policies on Workers' Retirement Savings. [GAO-17-69](#). Washington, D.C.: October 21, 2016.

Recommendation: To ensure that current vesting policies appropriately balance plans' needs and interests with the needs of workers to have employment mobility while also saving for retirement, Treasury should evaluate the appropriateness of existing maximum vesting policies for account-based plans, considering today's mobile labor force, and seek legislative action to revise vesting schedules, if deemed necessary. The Department of Labor could provide assistance with such an evaluation.

Action needed: Treasury had no formal comment on this recommendation, and the Department of Labor stated that vesting policies are under Treasury's interpretive and regulatory jurisdiction. Treasury noted that vesting policies are set by law and had not taken any action as of March 2022. To fully implement this recommendation, Treasury needs to assess whether current policies are appropriate for today's mobile workforce. Given that more than 72 million workers hold active 401(k) plan accounts and the median tenure with current employer in the private-sector is 3.7 years, the potential remains for these policies to significantly affect Americans' retirement security.

Director: Tranchau (Kris) T. Nguyen, Education, Workforce, and Income Security

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5. Improving Federal Financial Management

Management Report: Continued Improvements Needed in the Processes Used to Prepare the U.S. Consolidated Financial Statements. [GAO-21-587](#). Washington, D.C.: August 12, 2021.

Recommendations: The Department of the Treasury should focus on recommendations related to the long-standing material weaknesses in the processes used to prepare the

consolidated financial statements of the U.S. government.¹² We completed our fiscal year 2021 audit of the U.S. government's consolidated financial statements in February 2022 and determined that 10 recommendations remain open.

Actions needed: Treasury agreed with the 10 recommendations. Treasury and OMB should focus on addressing these recommendations that contribute to long-standing material weaknesses related to (1) accounting for intragovernmental activity and balances, (2) preparing the consolidated financial statements, and (3) reconciling the budget deficit to net operating cost and changes in cash balance. These material weaknesses have contributed to us being unable to express an opinion on the consolidated financial statements of the U.S. government.

In February 2022, Treasury and OMB officials expressed their continuing commitment to addressing these material weaknesses. We are encouraged by Treasury's and OMB's significant efforts in improving consolidated financial statement processes and working with federal entities to address these material weaknesses, as documented in Treasury and OMB's Remediation Plan for the *Financial Report of the U.S. Government*.¹³ Treasury should continue working to address these long-standing material weaknesses by updating corrective action plans and implementing corrective actions with OMB's support.

Director: Dawn B. Simpson, Financial Management and Assurance

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Financial Audit: Bureau of the Fiscal Service's Fiscal Year 2018 Schedules of the General Fund. [GAO-19-185](#). Washington, D.C.: May 15, 2019.

Recommendations: The Commissioner of Fiscal Service should improve its ability to determine whether transactions were complete and properly recorded in the correct general ledger accounts and line items within the Schedules of the General Fund—including the budget deficit—by developing and implementing:

1. a mechanism to reasonably assure that all the journal entries recorded in the Schedules of the General Fund general ledgers can be readily identified and traced, such as through a unique identifier; and
2. additional reporting requirements with related guidance for federal agencies that better align with the General Fund financial reporting objectives.

Actions needed: Treasury agreed and continues to make progress in remediating the two priority recommendations that remain open as of April 2022. Treasury is developing a long-term strategy to address the lack of traceability of transactions recorded in the Schedules of the

¹²These recommendations are from GAO, *Management Report: Improvements Needed in Controls over the Processes Used to Prepare the U.S. Consolidated Financial Statements*, [GAO-20-586](#) (Washington, D.C.: Aug. 25, 2020); *Management Report: Improvements Needed in Controls over the Processes Used to Prepare the U.S. Consolidated Financial Statements*, [GAO-14-543](#) (Washington, D.C.: June 19, 2014); *Management Report: Improvements Needed in Controls over the Processes Used to Prepare the U.S. Consolidated Financial Statements*, [GAO-13-540](#) (Washington, D.C.: June 28, 2013); and *Financial Audit: Process for Preparing the Consolidated Financial Statements of the U.S. Government Needs Improvement*, [GAO-04-45](#) (Washington, D.C.: Oct. 30, 2003).

¹³Office of Management and Budget and Department of the Treasury, *Financial Report of the United States Government: Remediation Plan FY 2021* (Washington, D.C.: August 2021).

General Fund general ledgers, which would fully implement these recommendations. That strategy includes:

- coordinating with federal agencies on the level of transaction detail they report and identifying system limitations around the reporting of such detail;
- converting any remaining federal agencies to full Central Accounting Reporting System reporters, which is dependent on federal agency cooperation; and
- developing and implementing additional transaction codes that would provide more detailed information on transactions recorded in the Schedules of the General Fund.

Treasury plans to complete these two recommendations over the next 3 to 5 years, and we will continue to monitor Treasury's progress. Until these recommendations are fully implemented, issues with traceability will continue to prevent us from expressing an opinion on the Schedules of the General Fund.

Director: Anne Y. Sit-Williams, Financial Management and Assurance

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6. Increasing Availability and Transparency of Government Data

Federal Spending Transparency: Opportunities Exist for Treasury to Further Improve USAspending.gov's Use and Usefulness. [GAO-22-104127](#). Washington, D.C.: December 16, 2021.

Recommendation: The Secretary of the Treasury should develop and implement approaches to make known data limitation disclosures more prominent and easily accessible to USAspending.gov users.

Action needed: Treasury agreed with this recommendation. As of May 2022, we continue monitoring developments on Treasury's plan for how it will implement changes to the website. To fully implement this recommendation, Treasury must implement changes to USAspending.gov to make known data limitation disclosures more prominent and easily accessible to users. When information about known data limitations is difficult to locate on USAspending.gov, users could inadvertently draw inaccurate conclusions or lose confidence in the data.

Director: Michelle Sager, Strategic Issues

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