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Highlights

Highlights of [GAO-07-321](#), a report to the Senate and House Committees on Veterans' Affairs

Why GAO Did This Study

In accordance with 36 U.S.C. 2103, GAO is responsible for conducting audits of the agencywide financial statements of the American Battle Monuments Commission (the Commission). GAO audited the financial statements of the Commission for the fiscal years ended September 30, 2006, and 2005. The audits were done to determine whether, in all material respects, (1) the Commission's financial statements were presented fairly, and (2) Commission management maintained effective internal control over financial reporting and compliance with laws and regulations. Also, GAO tested Commission management's compliance with selected laws and regulations.

The Commission was created in 1923 to commemorate the sacrifices and achievements of U.S. Armed Forces where they have served overseas since April 6, 1917, and locations within the United States as directed by Congress. The Commission designs, administers, operates, and maintains 24 American military cemeteries on foreign soil and 25 federal memorials, monuments, and markers, 22 of which are on foreign soil. The Commission was also responsible for designing and constructing the national World War II Memorial on the Capitol Mall in Washington, D.C., and for maintaining six nonfederal memorials with funds provided by those memorials' sponsors.

www.gao.gov/cgi-bin/getrpt?GAO-07-321.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Steven J. Sebastian at (202) 512-3406 or sebastians@gao.gov.

FINANCIAL AUDIT

American Battle Monuments Commission's Financial Statements for Fiscal Years 2006 and 2005

What GAO Found

In GAO's opinion, the financial statements of the American Battle Monuments Commission as of September 30, 2006, and 2005, and for the fiscal years then ended, are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles. Also, in GAO's opinion, although certain internal controls should be improved, the Commission maintained effective internal control over financial reporting (including safeguarding of assets) and compliance with laws and regulations as of September 30, 2006. In addition, GAO found no instances of Commission noncompliance in fiscal year 2006 with selected provisions of laws and regulations GAO tested.

The internal controls that should be improved as of September 30, 2006, which GAO considered to be a reportable condition, relate to two areas of information technology. Specifically, user documentation is lacking for the Commission's Foreign Service National employee payroll, and security program and access controls over the computer system were not effective at all Commission locations. The Commission is working to improve its internal controls over information technology. During fiscal year 2006, the Commission strengthened its accounting for property and accounts payable such that GAO no longer considers it to be a reportable condition as of September 30, 2006.

For fiscal year 2006, the Commission incurred program costs of \$53.8 million to maintain its 24 cemeteries and 25 federal memorials that were financed from appropriated funds. Another \$2.9 million of program costs were financed by other trust funds for final construction costs and administration related to the World War II Memorial, grave site flowers, and the repair and maintenance of nonfederal memorials that are funded by private contributions.

The Commission's Brittany American Cemetery, St. James, France



Source: American Battle Monuments Commission official photo.