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Highlights

Highlights of [GAO-08-326](#), a report to 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, 2007, and 2006. 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, operates, and maintains 24 American military cemeteries on foreign soil and 25 federal memorials, monuments, and markers, 22 of which are on foreign soil, that were financed from appropriated funds. 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 seven nonfederal memorials with funds provided by those memorials' sponsors.

To view the full product, including the scope and methodology, click on [GAO-08-326](#). 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 2007 and 2006

What GAO Found

In GAO's opinion, the financial statements of the American Battle Monuments Commission as of September 30, 2007, and 2006, 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 specific internal controls were deficient, overall, the Commission maintained effective internal control over financial reporting (including safeguarding of assets) and compliance with laws and regulations as of September 30, 2007. In addition, GAO found no reportable instances of Commission noncompliance in fiscal year 2007 with selected provisions of laws and regulations tested.

GAO found a significant deficiency in two areas of the Commission's information technology controls as of September 30, 2007. Specifically, (1) user documentation is lacking for the Commission's Foreign Service National (FSN) employee payroll, and (2) security program and access controls over its computer systems, while improving, were not effective at all Commission locations. The Commission is working to improve its system of internal control to meet the complex challenges of information technology, including implementing a new FSN payroll system in fiscal year 2008, which they expect will eliminate the deficiency in user documentation.

For fiscal year 2007, the Commission incurred program costs of \$59.2 million to maintain its 24 cemeteries and 25 federal memorials that were financed from appropriated funds. This included \$12.5 million to complete the Normandy Visitor Center, which tells the story of the Americans interred and memorialized at the Normandy American Cemetery as a result of the D-Day landings and area fighting to liberate Europe during World War II. Another \$2.2 million of program costs by trust funds were financed by private contributions for final construction costs and administration related to the World War II Memorial, purchase of grave site flowers, and the repair and maintenance of nonfederal memorials.

The Normandy Visitor Center, Dedicated June 6, 2007



Source: Photo by Roland Haibe, courtesy American Battle, Monuments Commission.