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Highlights

Highlights of [GAO-05-298](#), 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, 2004, and 2003. The audits were done to determine whether, in all material respects, (1) the Commission's financial statements were reliable, and (2) Commission management maintained effective internal control over financial reporting and compliance with laws and regulations. Also, we tested Commission management's compliance with selected laws and regulations.

The American Battle Monuments 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 4 nonfederal memorials with funds provided by those memorials' sponsors.

www.gao.gov/cgi-bin/getrpt?GAO-05-298.

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 2004 and 2003

What GAO Found

In our opinion, the financial statements of the American Battle Monuments Commission as of September 30, 2004, and 2003, 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 our opinion, the Commission maintained effective internal control over financial reporting (including safeguarding of assets) and compliance with laws and regulations as of September 30, 2004. In addition, we found no instances of Commission noncompliance in fiscal year 2004 with selected provisions of laws and regulations we tested.

However, our work identified inadequate controls over information technology in two areas and improper recognition of property additions and accrued liabilities as of September 30, 2004, that we considered to be reportable conditions. The Commission recorded accounting adjustments to correct its property and accrued liabilities at year-end and is working to improve internal controls in all these areas during fiscal year 2005.

For fiscal year 2004, the Commission spent \$40.4 million of appropriated funds to maintain its 24 cemeteries and 25 federal memorials. It also spent \$47.5 million of private contributions and investment earnings, primarily for construction-in-progress of the World War II Memorial that was dedicated on Memorial Day weekend in May 2004. On November 1, 2004, the Commission formally transferred the World War II Memorial to the National Park Service, which assumed responsibility for its perpetual care.

May 2004: President Bush Dedicates the WWII Memorial, Washington, D.C.



Source: Commission photo by Richard Latoff.