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Highlights

Highlights of [GAO-06-348](#), 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, 2005, and 2004. 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, 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 at 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-06-348.

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 2005 and 2004

What GAO Found

In GAO's opinion, the financial statements of the American Battle Monuments Commission as of September 30, 2005, and 2004, 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, the Commission maintained effective internal control over financial reporting (including safeguarding of assets) and compliance with laws and regulations as of September 30, 2005. In addition, GAO found no instances of Commission noncompliance in fiscal year 2005 with selected provisions of laws and regulations GAO tested.

However, GAO's work identified inadequate internal controls as of September 30, 2005, in two areas of information technology and in recognition of property and accounts payable that we considered to be reportable conditions. The Commission recorded audit adjustments to correct its property and accounts payable at year-end and is working to improve internal controls in these areas in the future.

For fiscal year 2005, the Commission incurred program costs of \$42.7 million to maintain its 24 cemeteries and 25 federal memorials from appropriated funds. It also incurred program costs of \$4.3 million for construction, dedication, and other costs related to the World War II Memorial funded by private contributions and investment earnings. On November 1, 2004, the World War II Memorial was transferred to the National Park Service, which assumed responsibility for its perpetual care. Another \$0.2 million of program costs were incurred by other trust funds for grave site flowers and repair and maintenance of nonfederal memorials funded by private contributions.

World War I St. Mihiel American Cemetery and Memorial, Thiaucourt, France



Source: American Battle Monuments Commission official photo.