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.