FINANCIAL AUDIT


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, 2008, and 2007. 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.

What GAO Found
In GAO’s opinion, the financial statements of the Commission as of September 30, 2008, and 2007, 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, 2008. In addition, GAO found no reportable instances of Commission noncompliance in fiscal year 2008 with selected provisions of laws and regulations tested.

In its audit of the Commission’s fiscal year 2007 financial statements, GAO reported a significant deficiency in two areas of the Commission’s information technology controls. Specifically, GAO reported that (1) user documentation was 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. During fiscal year 2008, the Commission implemented a new FSN payroll system that eliminated the deficiency in user documentation, and improved its security program and access controls such that GAO no longer considers them to be a significant deficiency as of September 30, 2008.

For fiscal year 2008, the Commission incurred program costs of $53.2 million to maintain its 24 cemeteries and 25 federal memorials that were financed from appropriated funds. Another $.2 million of program costs incurred by Commission-administered trust funds were financed by private contributions for nonroutine repair and maintenance related to the World War II Memorial, purchase of grave site flowers, and the repair and maintenance of nonfederal memorials.

The Commission’s WWI Meuse-Argonne Cemetery in Romagne, France

Source: American Battle Monuments Commission.