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Highlights

Highlights of [GAO-03-444](#), a report to the Senate and House Committees on Veterans' Affairs

Why GAO Did This Study

In accordance with 36 U.S.C. 2103, we are responsible for conducting audits of the agencywide financial statements of the American Battle Monuments Commission. We audited the financial statements of the Commission for the fiscal years ended September 30, 2002, and 2001. The audits were done to determine whether, in all material respects, (1) the Commission's financial statements were reliable, (2) Commission management maintained effective internal control over financial reporting and compliance with laws and regulations, and (3) Commission management complied with applicable 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 is also responsible for designing and constructing the national World War II Memorial on the Capitol Mall in Washington, D.C., and for maintaining 3 nonfederal memorials with funds provided by those memorials' sponsors.

www.gao.gov/cgi-bin/getrpt?GAO-03-444.

The full report is available by clicking the link above, which includes information on objectives, scope, and methodology. For additional information, contact McCoy Williams at (202) 512-6906.

FINANCIAL AUDIT

American Battle Monuments Commission's Financial Statements for Fiscal Years 2002 and 2001

What GAO Found

In our opinion, the financial statements of the American Battle Monuments Commission as of September 30, 2002, and 2001, 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, 2002. In addition, we found no instances of Commission noncompliance in fiscal year 2002 with selected provisions of laws and regulations we tested.

However, our work identified three deficiencies in internal controls over information technology as of September 30, 2002, that we considered to be a reportable condition. Commission management reported these deficiencies in its fiscal year 2002 report required by the Federal Managers' Financial Integrity Act and plans to substantially implement corrections in fiscal year 2003.

For fiscal year 2002, the Commission spent \$28.6 million of appropriated funds to maintain its 24 cemeteries and 25 federal memorials. It also spent \$29.8 million of private contributions and investment earnings, primarily for construction-in-progress of the World War II Memorial that is expected to be dedicated on Memorial Day 2004. With \$11.3 million of appropriations from Congress since fiscal year 1998, the Commission was able to eliminate its backlog of over 500 deferred maintenance projects as of September 30, 2002.

The Commission's North Africa American Cemetery in Carthage, Tunisia



Source: GAO photo.