March 2010

FINANCIAL AUDIT


What GAO Found

In GAO's opinion, the financial statements of the Commission as of September 30, 2009, and 2008, 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 as of September 30, 2009. In addition, GAO found a reportable instance of Commission noncompliance in fiscal year 2009 with selected provisions of laws and regulations tested.

GAO found a significant deficiency in the Commission's internal control over financial reporting as of September 30, 2009. Specifically, as of January 20, 2009, all 11 Commissioners, a significant component of the Commission's governance structure, resigned and new appointments were not made as of September 30, 2009. As a result, there were no Commissioners in place to provide high-level strategic oversight of Commission internal control over financial reporting. GAO also found that a Commission contract for temporary employees violated the Antideficiency Act as it contained a hold-harmless clause which subjected the Commission to potentially unlimited liability.

For fiscal year 2009, the Commission incurred program costs of $59.0 million to maintain its cemeteries and federal memorials that were financed from appropriated funds. Another $0.8 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 maintenance of nonfederal memorials.

The Commission’s WWII Ardennes American Cemetery in Neupre, Belgium

Source: American Battle Monuments Commission.