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Highlights

Highlights of [GAO-10-399](#), a report to congressional committees

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, 2009, and 2008.

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. GAO also tested Commission management's compliance with selected laws and regulations.

Created in 1923, the Commission operates and maintains 24 American military cemeteries on foreign soil; 25 federal memorials, monuments, and markers; and 7 nonfederal memorials.

GAO is not making any recommendations in this report, but will be reporting separately on our recommendations for strengthening the Commission's controls.

In commenting on a draft of this report, the Commission concurred with its facts and conclusions. Further, the Commission stated it would report the Antideficiency Act violation and noted that the appointment of Commissioners to provide governance resides with the President of the United States.

[View GAO-10-399](#) or [key components](#). 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 2009 and 2008

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.