QUALITY CONTROL REVIEW OF AUDITED FINANCIAL STATEMENTS FOR FY 2005 AND FY 2004

National Transportation Safety Board

Report Number: QC-2006-008
Date Issued: November 7, 2005
November 7, 2005

The Honorable Mark V. Rosenker
Acting Chairman
National Transportation Safety Board
490 L’Enfant Plaza, SW
Washington, DC 20594

Dear Acting Chairman Rosenker:

The audit of the National Transportation Safety Board’s (NTSB) Financial Statements, as of and for the years ended September 30, 2005, and September 30, 2004, was completed by Leon Snead & Company, P.C., of Rockville, Maryland (see enclosure). We performed a quality control review of the audit work to ensure that it complied with applicable standards. These standards include the Accountability of Tax Dollars Act of 2002; Generally Accepted Government Auditing Standards; and Office of Management and Budget Bulletin 01-02, “Audit Requirements for Federal Financial Statements.”

The Snead & Company audit report concluded that the financial statements presented fairly, in all material respects, the financial position, net cost, changes in net position, budgetary resources, and financing of the NTSB as of and for the years ended September 30, 2005 and September 30, 2004, in conformity with generally accepted accounting principles. We concur with this unqualified or “clean” opinion. The report presented one material internal control weakness related to implementation of an agency-wide information security program. More specifically, NTSB did not make a strong commitment to implement an agency-wide information system security program that would ensure its management information systems were adequately protected against unauthorized use. NTSB had already reported this weakness to the President in its September 30, 2005 Federal Managers’ Financial Integrity Act report. The Snead & Company report also included one instance of noncompliance with the Anti-Deficiency Act, which was also previously reported to the President and the Office of Management and Budget on December 19, 2003.

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In our opinion, the audit work performed by Snead & Company complied with applicable standards.

We appreciate the cooperation and assistance of NTSB and Snead & Company representatives. If we can answer questions or be of any further assistance, please call me at (202) 366-1992 or Rebecca Leng, the Assistant Inspector General for Information Technology and Computer Security, at (202) 366-1496.

Sincerely,

[Signature]

Theodore P. Alves
Principal Assistant Inspector General
for Auditing and Evaluation

Enclosure