

**QUALITY CONTROL REVIEW OF
AUDITED FINANCIAL STATEMENTS FOR
FY 2006 AND FY 2005**

National Transportation Safety Board

Report Number: QC-2007-007

Date Issued: November 13, 2006



**U.S. Department of
Transportation**
Office of the Secretary
of Transportation

The Inspector General

Office of Inspector General
Washington, DC 20590

November 13, 2006

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

Dear Chairman Rosenker:

The audit of the National Transportation Safety Board's (NTSB) Financial Statements, as of and for the years ended September 30, 2006 and September 30, 2005, 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 06-03, "Audit Requirements for Federal Financial Statements."

Snead & Company 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, 2006 and September 30, 2005, in conformity with accounting principles generally accepted in the United States. The Snead & Company report presented two material internal control weaknesses related to implementation of an agencywide information security program and internal controls over financial reporting.

Snead & Company made no recommendations regarding the information security program weakness because the Office of Inspector General already issued recommendations to address the problems in a recent report (OIG Report Number FI-2007-001, "Information Security Program," October 13, 2006). Snead & Company made two recommendations regarding the financial reporting weakness; we agree with them and are, therefore, making no additional recommendations. NTSB concurred with the financial reporting weakness, agreed

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with the recommendations, and committed to strengthening controls over financial reporting.

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) 366-1496 or Earl C. Hedges, Program Director, at (410) 962-1729.

Sincerely,



Rebecca C. Leng
Assistant Inspector General for Financial and
Information Technology Audits

Enclosure