

**QUALITY CONTROL REVIEW OF
AUDITED FINANCIAL STATEMENTS FOR
FISCAL YEARS 2010 AND 2009**

National Transportation Safety Board

Report Number: QC-2011-009

Date Issued: November 5, 2010



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

Office of Inspector General
Washington, DC 20590

November 5, 2010

The Honorable Deborah A. P. Hersman
Chairman
National Transportation Safety Board
490 L'Enfant Plaza SW
Washington, D.C. 20594

Dear Chairman Hersman:

The audit of the National Transportation Safety Board's (NTSB) Financial Statements as of and for the fiscal years (FYs) ended September 30, 2010, and September 30, 2009, 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 Chief Financial Officers Act; Accountability of Tax Dollars Act of 2002; generally accepted government auditing standards prescribed by the Comptroller General of the United States; and Office of Management and Budget Bulletin 07-04, "Audit Requirements for Federal Financial Statements," as amended.

Leon Snead & Company concluded that the financial statements present fairly, in all material respects, the financial position, net cost, changes in net position, and budgetary resources of the NTSB as of and for the years ended September 30, 2010, and September 30, 2009, in conformity with accounting principles generally accepted in the United States. Leon Snead & Company reported one significant deficiency in internal control and no instances of noncompliance with significant laws and regulations.

Significant Deficiency

1. NTSB Cost Accounting System - NTSB has not yet implemented a managerial cost accounting system.

Leon Snead & Company first reported NTSB's lack of a cost accounting system as a significant deficiency in FY 2007. During FY 2010, NTSB obtained funding to implement a managerial cost accounting system, trained selected staff, and established a pilot project. Because NTSB's goal is to go fully operational with its managerial cost accounting system during the second quarter of FY 2011, Leon Snead & Company did not make any further recommendations in its FY 2010 report.

Our quality control review disclosed no instances in which Leon Snead & Company did not comply with applicable auditing standards. Therefore, we are not making any additional recommendations, and a response to this report is not required.

We appreciate the cooperation and assistance of representatives of NTSB and Leon Snead & Company, P.C. If we can answer any questions or be of any further assistance, please call me at (410) 962-1729 or George Banks, Project Manager, at (410) 962-0186.

Sincerely,



Earl C. Hedges
Acting Assistant Inspector General for Financial and
Information Technology Audits

Enclosure