Management Letter

November 18, 2008

Members and Executive Director
National Council on Disability
Washington, DC

In planning and performing our audit, we considered the National Council on Disability’s internal control over financial reporting and compliance. We did this to determine our procedures for auditing the financial statements and to comply with OMB audit guidance, not to express an opinion on internal control. Accordingly, we do not express an opinion on internal control over financial reporting and compliance or on management’s assertion on internal control included in Management’s Discussion and Analysis. However, for the controls we tested, we found no material weakness in internal control over financial reporting (including safeguarding assets) or compliance. A material weakness is a control deficiency that results in more than a remote likelihood that the design or operation of one or more internal controls will not allow management or employees, in the normal course of performing their duties, to promptly detect or prevent errors, fraud, or noncompliance in amounts that would be material to the financial statements. Our internal control work would not necessarily disclose all deficiencies in internal control that might be material weaknesses or other significant deficiencies.

During our audit, we became aware of several matters that present opportunities for strengthening internal controls and improving operating efficiency. We reported on internal control over financial reporting and compliance in our audit report dated November 18, 2008. This letter does not affect our report dated November 18, 2008 on the financial statements of the National Council on Disability.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with senior management and will be pleased to discuss these comments in further detail at your convenience.
Management Review and Submission of Financial Statements

The Accountability of Tax Dollars Act of 2002 requires the National Council on Disability to prepare and submit to the Office of Management and Budget (OMB) unaudited financial statements quarterly and audited financial statements annually. During fiscal year 2008, OMB updated Circular A-136 to implement more formal requirements for agencies to certify and transmit these statements through the MAX Federal Community’s *Financial Management Community* page.

The National Council on Disability utilizes GSA Heartland as its accounting service provider and relies on GSA Heartland to prepare these statements. To ensure the propriety of the reports produced by GSA Heartland, the National Council on Disability’s management has implemented internal controls requiring the monthly reconciliation of the agency’s internal records for obligations and payments to the reports received from GSA Heartland. Management has also implemented additional procedures for the quarterly analysis of financial reports and budget execution. Management should continually monitor the effectiveness of these processes and controls. Additionally, more comprehensive reviews of financial statements prior to submission are recommended. This should include detailed examination of account balances with material amounts and transactions you have identified as having the most significant risk of error or omission.

This report is intended solely for the information and use of the members and management of the National Council on Disability and is not intended to be and should not be used by anyone other than these specified parties.

Washington, DC
November 18, 2008

[Signature]

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