



To the Audit Committee and Management
of Women's Business Enterprise National Council, Inc.

In planning and performing our audit of the financial statements of Women's Business Enterprise National Council, Inc. (WBENC) as of and for the year ended December 31, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered WBENC's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of WBENC's internal control. Accordingly, we do not express an opinion on the effectiveness of WBENC's internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency that are described below. This letter does not affect our report dated June 28, 2011, on the financial statements of WBENC.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various WBENC personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

CURRENT YEAR COMMENTS

Timely deposit of checks received

While most checks are processed through a lockbox at a bank, some are received and processed at WBENC's offices. During the audit, we noted that in some cases, there was a significant time lag between when checks were received and when they were deposited in the bank.

We recommend that checks be deposited within a few days of receipt on a consistent basis in order to improve cash flow and lessen the possibility of loss.

Payroll processing

We noted that there is not a proper segregation of duties for payroll activity. The Director of Finance initiates all payroll transactions, records them in the general ledger, and is ultimately responsible for the reconciliation of the bank accounts. There is no review of payroll registers by anyone else at WBENC.

We recommend that the Chief Operating Officer review the payroll registers on a routine basis.

Bank transfers

We understand that management implemented a process whereby intra-bank and wire/electronic transfers need to be pre-authorized by senior management prior to execution by the Accountant. However, the bank does not verify that this pre-authorization has taken place. In addition, we noted that the individual who can initiate on line transactions for transfers with the bank is the same individual that is responsible for the general ledger and bank reconciliations.

We recommend that transfers be allowed only between WBENC accounts. The bank should be notified in writing of this restriction.

Dorothy Brothers Scholarship Fund

The Dorothy Brothers Scholarship Fund (the Fund) is comprised of temporarily restricted net assets used to award scholarships and an endowment of \$73,100 which is reflected as permanently restricted net assets. We noted that the bank account holding the Fund was changed to a non-interest bearing account subsequent to year end. This seems to be inconsistent with the purpose of an endowment, which is to use earnings for the purposes set out by the donor(s).

We recommend WBENC review its investment policy and determine the appropriate investment vehicle.

Restricted assets

There are temporarily restricted net assets remaining on WBENC's books identified only as "Other Scholarships" for which personnel have been unable to locate the supporting documentation.

We recommend that WBENC resolve the nature of these amounts and make the appropriate expenditures to release the restrictions.

Development database

During the audit, we noted that reports generated out of the development department database were incomplete, particularly for payment amounts and dates, indicating that the database was not kept fully up-to-date. In addition, copies of supporting documents were not consistently filed.

We recommend that the database and supporting files be kept current so that there is a complete record for research and analysis purposes.

President's offer letter

In early 2011, there was turnover in the position of President at WBENC. We understand that the incoming President has received an email outline of the terms of the position, but that a formal written offer has not yet been executed. However, we understand that it is in process.

We recommend that the offer letter be executed in a timely basis to prevent any potential future questions or issues.

PRIOR YEAR COMMENTS

Bank reconciliations

During the 2009 audit we noted several outstanding checks and other reconciling items that were over 90 days old. We recommended that WBENC research the status of the checks and other reconciling items, void and reissue checks as necessary, and resolve the status of other reconciling items.

Follow-up: We noted that the operating account reconciliations for several months during 2010 contained one significant unresolved difference. The resolution of the reconciling item was accomplished on the December reconciliation during audit fieldwork in April 2011. We understand that the issue arose from unresolved anomalies in two of the subsystems in the Great Plains Accounting software.

We recommend that accounting personnel resolve reconciliation differences on a timely basis.

Credit card information

During the prior year audit, we noted that credit card information for transactions processed by WBENC accounting staff was kept in unsecured accounting records and event records binders. We recommended that all but the last 4 digits of the account numbers be blackened after processing to prevent the potential unauthorized use of the credit card information.

Follow-up: We noted that credit card information has been secured from the date of our comment.

In-kind transactions

WBENC has detailed written procedures for accepting and documenting in-kind transactions, we noted that in a few cases, written agreements and substantiation of values received could not be located. We recommended that WBENC consistently follow its procedures for in-kind transactions.

Follow-up: During our 2010 audit, we noted that WBENC had significantly improved its documentation of in-kind transactions.

Corporate credit card statements

We noted charges on corporate credit card statements had not been verified to supporting documentation for much of the prior fiscal year. We recommended that each charge on the statements be tied back to the applicable employee expense report and supporting receipts on a timely basis.

Follow-up: We noted that corporate credit cards were reconciled to supporting receipts on a more timely basis in 2010.

Timely reconciliations

In the prior year, we noted that revenues, such as from auction proceeds and other conferences, in the general ledger were not reconciled on a timely basis to records kept outside the accounting department. The reconciliations were completed during the audit and resulted in a number of client proposed adjustments subsequent to the start of the audit. We recommended that these reconciliations be performed within a reasonable timeframe following the related event.

Follow-up: Many of the reconciliations appear to have been completed on a more timely basis.

This communication is intended solely for the information and use of management, Audit Committee, Board of Directors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Drolet + Associates, P.L.L.C.

Washington, DC
June 28, 2011