

January 15, 2015

To the Audit Committee  
Washington, D.C. Convention and  
Tourism Corporation & Affiliate

In planning and performing our audit of the consolidated financial statements of Washington, D.C. Convention and Tourism Corporation & Affiliate (the Organization) as of and for the year ended September 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion of the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We would like to take this opportunity to communicate the following best practice recommendation for the Organization's consideration.

### **CURRENT YEAR COMMENT**

#### **Periodic Review of Master Vendor List (Best Practice Recommendation)**

Observation: Several recent, well-publicized cases of fraud perpetrated on not-for-profit organizations involved the manipulation of payments to either fictitious or inactive vendors. One of the lessons learned from these cases is the importance of performing periodic reviews of an organization's master vendor list in order to identify unusual or suspicious activity.

Recommendation: To further augment its current system of internal controls, we recommend that the Organization conduct a periodic review of its vendor listing for incorrect or unusual items. This review should be performed by an individual independent of the accounts payable function. In addition, controls over the process for administering the vendor list should be periodically reviewed in order to minimize potentially exploitable weaknesses. It is important to note that this comment is not being made in response to a specific concern related to the Organization. Rather, it is intended as a general, not-for-profit organization best practice recommendation.

This report is intended solely for the information and use of management, the Audit Committee, and others within Washington, D.C. Convention and Tourism Corporation & Affiliate and is not intended to be and should not be used by anyone other than these specified parties.