

August 20, 2020

To the Board of Directors
National Energy and Utility Affordability Coalition
Washington, D.C.

In planning and performing our audit of the financial statements of National Energy and Utility Affordability Coalition as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered National Energy and Utility Affordability Coalition'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Coalition's internal control. Accordingly, we do not express an opinion on the effectiveness of the Coalition's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

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.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in National Energy and Utility Affordability Coalition's internal control to be a significant deficiency:

Internal Control over Cash Receipts

One individual is solely responsible for collecting and opening the mail, which includes incoming contribution, membership, and sponsorship checks. The same individual has full access the accounting records and is responsible for performing the monthly bank reconciliations. We believe this presents a significant deficiency over cash receipts, since it creates an opportunity for the diversion of cash receipts as well as for a misplaced check or bank error to not be identified and corrected in a timely manner.

While this significant deficiency is a repeat finding from the 2018 audit, we noted that management corrected the significant deficiency midway through 2019. Despite management's correction, there is still a reportable significant deficiency due to the condition existing for a portion of 2019.

Management Response

The significant deficiency above was identified in 2019 during the 2018 financial statement audit. Upon issuance of the 2018 audit, we implemented dual opening of incoming mail, including initialing itemized receipts after the deposit has been made.

In the event that one staff member is out of the office, the electronic record of the deposit will be reviewed and the itemized receipt initialed upon the return of the staff member. The systems consultant or Board Treasurer will review the initialed itemized receipts and compare with bank statements on a quarterly basis.

During our audit, we also became aware of the following matter, which we believe represents an opportunity for strengthening internal controls and operating efficiency.

Electronic Payments System

The Coalition uses a system that includes manual preparation of checks to pay bills. An electronic payment system can be particularly appropriate for vendor, utility, and expense reimbursement payments. Advantages of such a system include the elimination of manual handling, process, and storage of paper checks, reduced postage costs, and a reduction in the risk of check fraud or lost or stolen checks. We recommend the Coalition consider adopting an automated, electronic payment system, such as Bill.com and consider utilizing a third party expense reporting vendor, such as Expensify or Concur.

This communication is intended solely for the information and use of management, the board of directors, and others within the Coalition, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Wegner CPAs, LLP

A handwritten signature in black ink that reads "Glenn Miller". The signature is written in a cursive style with a large initial "G".

Glenn Miller, CPA
Partner