

Management Letter and State Reporting Requirements

Honorable Mayor and City Council
City of Tampa, Florida

In planning and performing our audit of the general purpose financial statements of the City of Tampa, Florida (the City), for the year ended September 30, 1999, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on internal control.

During our audit, the following matters came to our attention that we believe merit your consideration.

Information Systems

Year 2000 Readiness

Our responsibility as the City's auditors is to plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. As such, our audit of the City's general purpose financial statements is not designed to determine the City's readiness for the Year 2000. Further, we have no responsibility with regard to the City's efforts to make its systems, or any other systems, such as those of vendors, service providers, or any other third parties Year 2000 ready, or to provide assurance on whether the City has addressed or will be able to address all affected systems on a timely basis.

In conjunction with our audit, we made limited inquiries of selected personnel regarding the City's Year 2000 readiness plan. Based on our limited inquiries, management stated that the majority of applications and hardware are currently Year 2000 compliant.

Due to the pervasiveness and complexity of this issue, we recommend the City monitor its systems and operations to identify any areas of risk not previously addressed.

These observations should not be considered as all-inclusive of the Year 2000 issues and risks of the City.

Uninterruptable Power Supply

The City does not have an Uninterruptable Power Supply (UPS) system for the entire data center. Due to the importance of the data center to the operations of the City, a UPS system could help prevent a loss of City information in the event of a power outage. We recommend the City consider the installation of a UPS system.

Standardizing Platform Security Configurations

Security standardization can facilitate the systems administration process and help ensure that adequate security measures are applied consistently across platforms. The City uses authentication and security features; however, configurations vary across platforms and in certain cases are not configured according to best practices suggestions. When practical, develop security standards that may be applied regardless of the platform.

Protecting Information, Monitoring for Violations, and Managing Incidents

Regular review of security and audit logs encourages a proactive approach in detecting suspicious or unusual activity on the City's information systems. Such activity, if undetected, could compromise data integrity and availability. Although the City informally monitors audit and security logs, written violation monitoring procedures have not been developed. We recommend that the City establish procedures for ongoing and routine review and monitoring of system violation logs to detect security vulnerabilities and breaches. These procedures should address the various types of security breaches (unauthorized access attempts, easily guessed passwords, etc.) to be monitored and what violation/audit logging is to be performed, who is to perform the review of the logs, how often the review is to be performed, and the actions that should be taken in order to follow-up on suspicious or unusual activity.

Financial Accounting and Reporting

German American Club Lease

During our audit in both the current and prior year, we noted that the German American Club lease satisfies the criteria to be accounted for as a capital lease. The City is treating this lease as an operating lease. The City does not appear to have well defined procedures for evaluating leases to determine their proper accounting treatment. We recommend that the City capitalize the German American Club lease and also develop policies and procedures for evaluating leases to determine their proper accounting treatment.

Allowance for Doubtful Accounts

The City does not have policies and procedures in place for establishing allowances for potentially uncollectible enterprise fund accounts receivable or Challenge Fund loans. We noted that write-offs for the past two years have exceeded the allowance balance. This could result in an overstatement of receivables and operations of enterprise funds. We recommend that the City develop a methodology for establishing allowances for potentially uncollectible accounts and loans receivable based on historical write-off trends.

Prior Year's Recommendations

The status of the prior year's recommendations are included at exhibit A.

Required Disclosures

During the course of our audit of the City, nothing came to our attention that would cause us to believe that the City was in a state of financial emergency, as defined by Section 218.503(1), Florida Statutes.

This report is intended solely for the use of the Mayor, City Council, management and the Auditor General, State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

Ernst + Young LLP

December 20, 1999

Exhibit A

Status of Prior Year's Recommendation

Recommendation	Status
Year 2000	
<ul style="list-style-type: none"> Continue to monitor systems, operations, significant vendors, customers, and service providers to detect new Year 2000 risks. 	Implemented and ongoing monitoring is taking place.
<ul style="list-style-type: none"> Develop contingency plans for mission-critical systems in case unforeseen problems arise relating to year 2000. 	Implemented and ongoing monitoring is taking place.
Rehabilitation Notes	
<ul style="list-style-type: none"> Develop a process with United States Escrow (USE) for timely communication of and reporting of rehabilitation note transactions to ensure the City's records are up to date. 	Implemented and significant improvement and progress was noted in the areas mentioned.
<ul style="list-style-type: none"> Develop a formal reconciliation process to reconcile the City's general ledger balance with Use records on a monthly basis. 	Implemented and significant improvement and progress was noted in the areas mentioned.