

City Cell Phone Charges



- **Cell Phone Costs Are \$625,000 for both Data and Voice Communications**
 - **Performed Data Mining on 2 Million Phone Records Covering 4.7 Million Minutes over Two Fiscal Years**
 - ✓ **Use of Audit Software to Review All Records**
 - ✓ **Normally Only Detail Review of Audit Sample**
- Audit Found Need for Greater ACCOUNTABILITY**
 - **Assignment of Phones to Individuals**
 - **Need for More Pro-Active Management Over Usage**
 - **Enhancement of Monitoring Controls**
 - **Management has agreed to start to provide better monitoring controls.**



City Cell Phone Charges

Inventory Assignment and Accountability

Inventory Records Have Become Less Accurate

Growth of the Number of Cell Phones

Failure of Communications – Changes

Numerous Sources of Inventory Information

- ✓ **There are 456 cell phones not assigned – 39%**

No Oversight of Usage Accountability

Control Requires Reliable and Updated Inventory

Management has responded that each department will review and validate use assignment and need.

- ✓ **This is a First Step in a Better Monitoring Program.**



City Cell Phone Charges

Business or Personal Call Accountability

**Reasonable Personal Calls Must Be Reimbursement –
Six cents per Minute**

**About 11% are classified as Personal Calls with 13%
Personal Call Usage. The six cents cover about 4% of
the cost for cell phones.**

**Ongoing Monitoring Program is needed to determine if
City's assets are used in the most productive manner.**

**Found 8,338 different called numbers being classified
as both business and personal by the same person
from the same phone number.**



City Cell Phone Charges

Business or Personal Call Accountability- Con't.

Better Control requires establishment of Ongoing Control Review Program.

Management has responded that Reminders about City Policy and Suggested Alternative Practices will be distributed. Plan Standard Rates will be reviewed for possible adjustment.

City Cell Phone Charges



Cell Phone Plans

There are 1,114 cell phones numbers in the City

- 19% of the cell phone plans cost over \$100 per month
- 75% of the cell phone plans cost between \$25 and \$99.99 per month
- Each user is allowed to have any plan their manager will approve.

With all the plans with different features, usage limits and expenses it adds to the control monitoring issues.

Better Control requires reduction in plan choices.

Management will consolidate into 5 plans choices with pool minutes. Quarterly reviews will take place for proper plan distribution.



City Cell Phone Charges

Cell Phone Usage

There is underutilization of cell phones.

There is over utilization of cell phones.

Vendors add other fees which amounts to about \$36,000 per year.

Better Control requires a Step-Up Management Ongoing Review Program.

Management will monitor the distribution of phones in the pooled plans for cost effectiveness and perform a validation review for use, assignment, and need.