

**SEMINOLE COUNTY
COUNTY MANAGER'S OFFICE**

**AUDIT OF
MANAGER'S CELLULAR DEVICE POLICY**

REPORT NO. 040912

APRIL 2012

Prepared by:
The Office of the
Clerk of the Circuit Court



MARYANNE MORSE
Clerk of the Circuit Court
Seminole County

April 9, 2012

The Honorable Brenda Carey,
Chairman, Board of County Commissioners
1101 East First Street
Sanford, FL 32771

Dear Madam Chairman:

I am very pleased to present you with the attached audit of the Manager's Cellular Device Policy. The monthly stipends being paid to employees for the cost of using their personal cell phones for official county business are extreme.

This policy needs to be re-visited to ensure that:

1. Stipends more accurately reflect the cost being incurred by the employees for the use of their phones for official county business; and
2. Employee need for a stipend is accurately documented, properly justified, and approved.

We estimate, based on review of individual cell phone records from employees, that the county is paying about \$32,000 per year more than the actual cost being incurred by employees. I would like to acknowledge the assistance of the county staff for their cooperation and assistance throughout the course of this audit.

With warmest personal regards, I am

Most cordially,

Maryanne Morse,
Clerk of the Circuit Court
Seminole County

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Prepared by:
The Office of the
Clerk of the Circuit Court

**Seminole County
Central Services Department
Audit of
Manager's Cellular Device Policy**

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The following attachment is submitted for illustration purposes.

Cellular User Authorization Request Form (Appendix B)

Prepared by:
The Office of the
Clerk of the Circuit Court

**Seminole County
Central Services Department
Audit of
Manager's Cellular Device Policy**

The Office of the Clerk of the Circuit Court has completed an audit of Seminole County Manager Cellular Device Policy.

PURPOSE

The audit was performed to determine compliance with county policy and if the allowances paid to management employees were justified. Also, to determine if the administrative controls over the program are adequate, effective and in the best interest of the citizens of Seminole County.

BACKGROUND

Seminole County Manager Policy 5 – CELLULAR DEVICE POLICY governs the use of cellular devices by Seminole County employees. The policy also provides reimbursement guidelines for:

- (1) Personally owned cell phones; and,
- (2) County owned cellular devices.

As a general rule, if an employee has a need for a cell phone to carry out official county business, a county-owned cell phone is provided with the understanding that it is to be used solely for official county business. The exception to the policy is that those management employees who wish to use their personally owned phone for official county business can opt to receive a monthly stipend.

The policy provides that department directors will request positions to have cellular service by completing the CELLULAR USER AUTHORIZATION FORM and submit the completed form with justification, for review to the Information Technology Division. The form is then forwarded to the County Manager's Office for approval. Departments are responsible for oversight and to assess on a regular basis if there is a continued need for a cell phone.

Prepared by: The Office of Clerk of the Circuit Court

The report that follows addresses the adequacy of the current policy and also provides for an assessment of compliance with the policy.

SCOPE OF WORK

All employees participating in the cell phone allotment program were selected for review. Cell phone records for the 2011 calendar year were reviewed for compliance with policy and for determining the reasonableness of payments to employees. The audit included the following:

- Monthly cell phone records for each employee in the program;
- CELLULAR USER AUTHORIZATION FORMS;
- County Manager Memorandums approving the allotment;
- County provided cell phone plans;
- Interviews of County Staff, and,
- Monthly allotment payments to employees.

OVERALL EVALUATION

Monthly stipends to employees for the use of their personal cell phones for official county business appear extreme. This is based on our review of the employees' personal cell phone bills.

We asked the employees to identify the calls on their bills for official county business and then calculated an approximate cost associated with these calls. Based on this, we estimate that on an annual basis, the county may have paid about \$32,000.00 per year more to the employees on the allotment plan than actually required.

The policy needs to be reevaluated and updated to provide for a more realistic assessment of the cost of the business calls. As a substitute for the stipend program, we highly recommend, for those employees with an official need for a phone, the county provide one and eliminate the stipend program altogether. It appears that stipends are more of an executive privilege as many employees receiving the allowances are in administratively related positions and do not

ordinarily require remote access. With that being said, the taxpayers end up footing the bill for these allowances.

The following findings and recommendations are included in the report that follows:

- CELLULAR USER AUTHORIZATION FORMS are not always completed; and,
- Employees who receive a monthly stipend are being over-paid.

FINDING NO. 1

Cellular user authorization forms are not always completed.

There are currently three options available to employees that require the use of a cell phone for their current job assignments.

1. Use a county furnished cell phone;
2. Receive a monthly stipend from the county to cover the cost of USING a personal phone for official county business; and,
3. No reimbursement due to a very limited need.

1 and 2 requires the employee and the department manager to adequately justify a need.

The procedure as outlined in the Seminole County Manager Policy (5-CELLULAR DEVICE POLICY) requires the department director and employee to complete APPENDIX B – CELLULAR USER AUTHORIZATION FORM (See Exhibit) with a proper justification for the phone. This form also allows the department to request either a county owned cell phone (with or without a data plan) or request a monthly stipend with regards to cell phone use.

As of February 1, 2012, Twenty-nine employees' were receiving a monthly cell phone stipend. 7 of 29 (24 %) were receiving \$88 per month; the other 22

(76%) got \$133 to include data usage fees. No "CELLULAR USER AUTHORIZATION FORMS" were completed for these 29 employees.

By not going through the process of : (1) justifying the employees' needs-in writing - why the cell phone is needed; and, (2) analyzing the various cost options, the county is likely to pay more costs than required as discussed in more detail in Finding No. 2.

Recommendation

1. Update County Manger Policy to define the criteria for awarding a cell phone or authorizing a cell phone stipend.
2. All cell phone costs either by assignment of a county owned phone or a monthly stipend needs to be justified and the justification needs to accompany the CELLULAR AUTHORIZATION FORMS.
3. County Finance should reject all memorandums from the County Manager's Office and/or Information Technology Division Manager that are not formally documented and properly approved.

FINDING NO. 2

Monthly stipends are in excess of actual cost incurred.

There are currently 29 employees receiving a monthly stipend for business use of their cell phone. 7 are being paid a stipend of \$88 per month. The other 22 are getting \$133 to include money for an employee's data usage.

We requested each employee provide their cell phone records for the months of June 2011, October 2011, and December 2011. Employees were asked to identify calls on the bill as either:

- (1) Business related calls; or,
- (2) Personal calls

From these records, we calculated a ratio (percentage) of the time each employee uses his cell phone for business. This percentage was applied to the monthly bill from the cell phone carrier.

Based on the percent of business related calls we calculated an estimated cost being incurred by employee for calls and data use for official county business. The results of this review indicated that most employees were only using their cell phones for official business a very small portion of time.

Here are a just a few examples of employees being over compensated:

- **Employee A** - uses his cell phone for about 4 to 5 minutes per month, has a personal cell phone bill of \$52.10, get a stipend of \$88.00, and for a one year period he is overpaid by about \$1,050.00.
- **Employee B** – uses his cell phone for about 50 to 60 minutes per month, has a personal cell phone bill of \$42.99, gets a stipend of \$133.00, and for a one year period is overpaid by about \$1,554.00
- **Employee C** – uses his cell phone for business for about 18 to 20 minutes per month, has a personal cell phone bill for \$115.23, gets a stipend of \$133.00, and for a one year period is overpaid by about \$1,446.00

21 of 29 (72%) employees receiving stipends used their personal cell phone for official county business less than 50% of the time, yet, were paid more than 100% of the total cost of their plans. In other words, the employees were compensated in excess of their actual cost.

Noted below are the payments being made to the employees via a monthly stipend. On an annual basis the county is paying the following costs for these employees:

County Pay-Outs on an Annual Basis

7 employees at \$88 for 12 months	=	\$ 7,392.00
22 employees at \$133 for 12 months	=	<u>\$ 35,112.00</u>
Total annual stipends paid		\$ 42,504.00

Estimated Cost to Employee for County Business

7 employees (with cell phone use only)	=	\$ 1,806.60
22 employees (with cell phone and data)	=	<u>\$ 8,963.64</u>
Total annual estimated cost		\$10,770.24

Annualized over-payments **\$31,733.76**

Recommendation

Suspend the stipend program and issue County owned cell phones to those that need them. A business reason for the phone should be documented and properly reviewed and approved.

SEMINOLE COUNTY MANAGER POLICIES

APPENDIX B

CELLULAR USER AUTHORIZATION REQUEST FORM

Cellular, PDA, Air Card, Wireless Devices

ADD A NEW USER CHANGE A USER REMOVE A USER

_____ FIRST NAME	_____ LAST NAME
_____ DEPARTMENT/DIVISION	_____ TITLE
	_____ POSITION ID#
_____ TELEPHONE NUMBER	_____ FAX NUMBER
_____ LOCATION ADDRESS	_____ ROOM/SUITE NUMBER
_____ CITY	_____ ZIP CODE

PLAN DESIRED TYPE

- BCC Allotment Plan – VOICE
- County owned/ Dept Budget – VOICE
- BCC Allotment Plan – DATA
- County owned/ Dept Budget – DATA
- Other _____

SERVICE PROVIDER DESIRED

- Sprint
- Nextel
- Other _____

EQUIPMENT

- Phone
- Blackberry/PDA
- Air Card

JUSTIFICATION (Attach additional information as necessary):

BUDGET: (Identify Approved Budget Line) If not budgeted, attach proper funds transfer authorizations. Copies of all identified items must be sent with this form.

I AM CERTIFYING THAT THE ABOVE INFORMATION AND JUSTIFICATION IS CORRECT AND COMPLETE. I UNDERSTAND THAT I AM ACCOUNTABLE FOR ALL ACTIONS AND USAGE OF THE ASSIGNED EQUIPMENT AS OUTLINED IN THE COUNTY'S CELLULAR DEVICE POLICY. IN ADDITION, I UNDERSTAND THAT I AM RESPONSIBLE FOR PROTECTING THE ASSET ASSIGNED TO ME AND THAT IT IS THE PROPERTY OF SEMINOLE COUNTY GOVERNMENT.

USER SIGNATURE _____	SIGNATURE _____	DATE _____	DATE _____
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SUPERVISOR SIGNATURE	_____	_____
MANAGER SIGNATURE	_____	_____
DIRECTOR SIGNATURE	_____	_____
IT OPERATIONS MANAGER	_____	_____
DEPUTY CM SIGNATURE	_____	_____
COUNTY MANAGER SIGNATURE	_____	_____

(Updated August 18, 2008)



April 11, 2012

Ms. Maryanne Morse
Clerk of the Circuit Court
P.O. Box 8099
Sanford, FL 32772-8099

RECEIVED
APR 13 2012

SEMINOLE COUNTY FLORIDA

Re: **Audit of Manager's Cellular Device Policy**

Dear Ms. Morse,

Finding No 1.

Cellular user Authorization forms are not always completed.

Response: At some undetermined date it seems that cellular phone stipends provided to Department Directors and Division Managers were handled by a memo from the County Manager rather than the appropriate form. In anticipation of this audit, on March 9, 2012 the County Manager signed a new County Manager Policy whereby, at the discretion of the County Manager, certain Department Directors and Division Managers were requested to be available after hours by cellular phone and required to monitor county e-mail activity. Those employees were asked to request a voice and/or data stipend plan to compensate them for business use of a personally owned cellular device which is now also subject to verification at any time.

A new Cellular User Authorization Request Form was developed and made available to all Department Directors and Division Managers to be completed in order to receive the stipend. Each form must include justification for the request and be sign by the Department Director, IT Operations Manager, Deputy County Manager and County Manager. Memos will no longer be issued to authorize a stipend.

Finding No 2.

Monthly stipends are in excess of actual cost incurred.

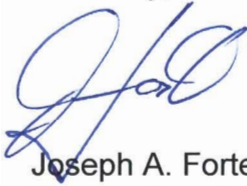
Response: The previous stipend plan allowed for a voice stipend in the amount of \$45.00 and a data stipend in the amount of \$88.00 or for a voice and data stipend \$133.00. The revised County Manager Policy now allows for a Voice Allotment in the amount of \$15.00 and a Data Allotment in the amount of \$35.00 or a total of \$50.00 for voice and data. This amount is in line with actual costs and is comparable to the cost of a county issued phone. The use of the cellular device today is focused more toward responding to county e-mails both after hours and while away from work stations.



Included with this response is a copy of the March 9, 2012 County Manager Policy which includes the Cellular User Authorization Request Form and an Approval Process Flow Chart detailing how the stipend plan and county issued cellular phone plan is handled.

Thank you for the opportunity to create an improvement.

Sincerely,



Joseph A. Forte
Deputy County Manager

Cc. Board of County Commissioners
Jim Hartmann, County Manager
Jane Spencer, Board of County Commission Records

5 - CELLULAR DEVICE POLICY

A. PURPOSE

To provide a policy governing the use of cellular devices by Seminole County employees and to provide stipend guidelines and criteria, and conditions of business use of both personally owned and County owned cellular devices.

As a general rule, Seminole County shall own and provide cellular devices and services to its employees when proven to provide a more efficient and effective operation. The exception to this rule is employees who personally own their cellular device and receive a stipend for voice/data services to compensate for business use of the device.

IT Operations is responsible for managing Seminole County's cellular device policy. IT Operations will review all requests for new or additional services and provide the most efficient and reliable solutions/recommendations for those communications needs.

Departments Directors shall be responsible for oversight of employee cellular usage and shall randomly monitor and review such usage quarterly to ensure that use is appropriate and that prudent fiscal management guidelines are followed. This quarterly review shall include an assessment of authorized employee's continued need to use cellular devices for County business purposes.

B. CELLULAR PLANS

County Owned

The County, through IT Operations, will own and retain a certain number of cellular devices for County business purposes.

In these instances where the County is providing devices for use by County employees, employee use of County owned cellular devices is limited to official Seminole County business only. There shall be no personal use of County cellular devices (incoming or outgoing) except in response to a family emergency, and even under these circumstances, only when it is impossible or unreasonable to use a landline telephone, public pay phone, or personal phone. Use of the cellular device to notify a family member of an unforeseen work schedule change is considered an appropriate business use.

In the rare circumstance in which an employee must use a County owned cellular device to place or receive a personal call, the employee must reimburse the County for that call. The reimbursement shall be made at the County's current per minute overage rate and shall occur within 30 days after the department receives its cellular invoice. On a quarterly basis, random cellular users will receive their invoices and must highlight any personal calls made or received or certify that there was no personal use for that invoice term. Payment will be made in accordance to current County Finance policies.

With approval from their department director, an employee may be issued a cellular device with data services. Data services (internet, e-mail, text and instant messaging, etc.) are for official County use only. Personal use of data services on a County owned device is prohibited.

Each County owned cellular device will receive minutes from the County's pool that is shared by all County cellular users. The minutes in the plan are the property of Seminole County and shall not be utilized for personal benefit.

BCC Stipend Plan

The County Manager requires certain department directors and division managers to participate in the BCC Stipend Plan to ensure their availability after hours for a more responsive and efficient operation of County business. In doing so, county management, department director, and division manager personnel are authorized to request a voice/data stipend plan to compensate for business use of personally owned cellular device. Stipend eligibility is subject to verification at any time.

County employees receiving a stipend will be compensated as follows:

Plan	Stipend
Cellular Voice Allotment	\$ 15
Cellular Data Allotment	\$ 35

Approved users will be financially responsible for all charges incurred above and beyond their allotment. It is the responsibility of the user to monitor their usage. All charges that may be incurred are the responsibility of the user. All maintenance and repairs are the responsibility of the user. Lost or stolen equipment, as well as all accessories, are the responsibility of the user. The County assumes no liability for services, products, fees, taxes or any other charges beyond the employee's authorized allotment.

C. PROCEDURE

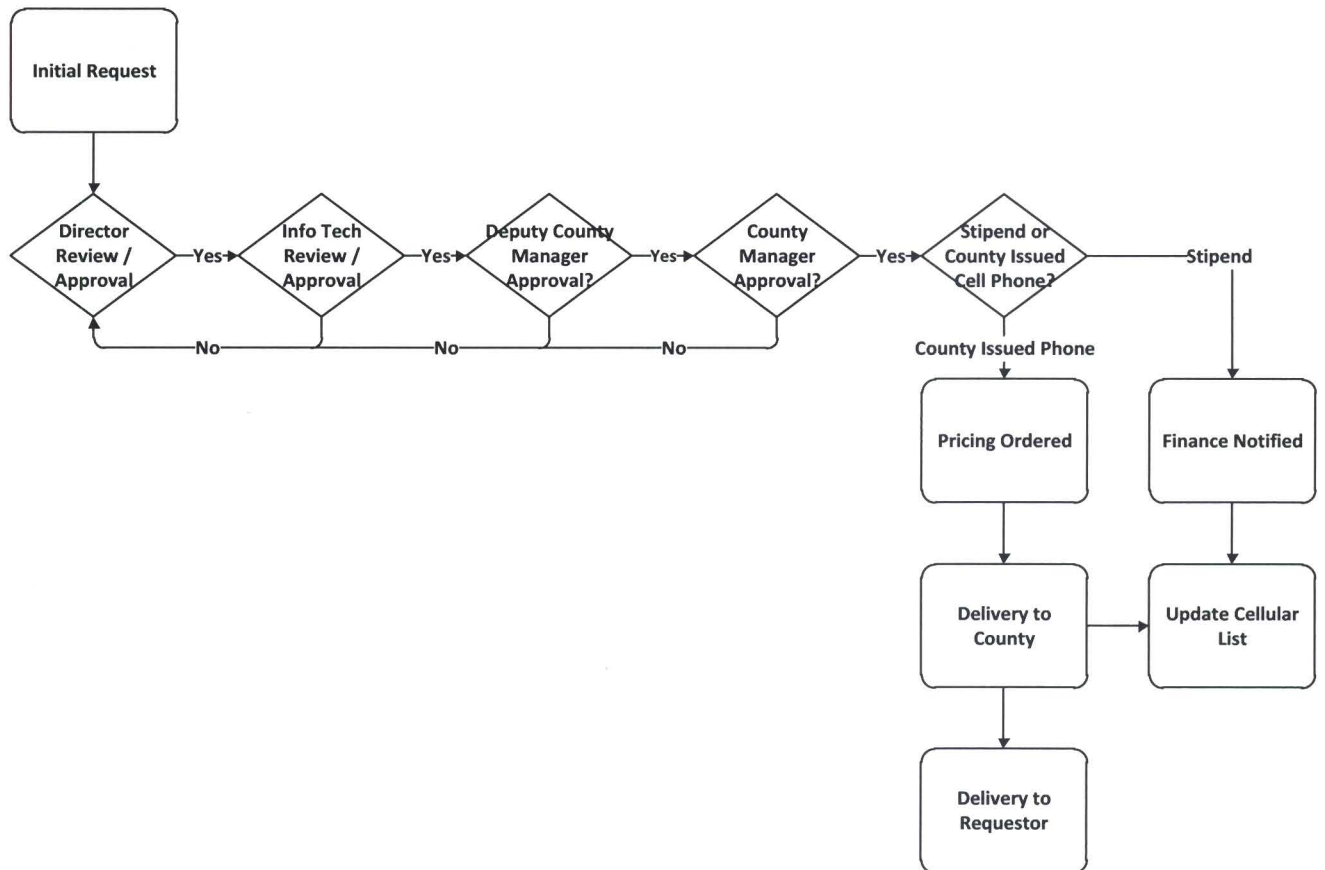
Department directors will request positions to have cellular service using the attached form (Appendix B). It is the responsibility of the department director to review the request for compliance with the policy prior to forwarding it to IT Operations.

This request form will then be forwarded to IT Operations with the proper signatures and justifications. The request will undergo a review for policy compliance prior to submission from IT Operations to the Deputy County Manager and County Manager for final approval (Appendix A). If the request does not meet the requirements of the policy it will be returned to the appropriate department director for follow-up and/or additional justification.

IT Operations will maintain a database of approved users and numbers assigned to each user. This data will be provided quarterly to department directors for review.

APPENDIX A

APPROVAL PROCESS FLOW CHART



APPENDIX B

CELLULAR USER AUTHORIZATION REQUEST FORM

Cellular, PDA, Air Card, Wireless Devices

ADD A NEW USER

REMOVE A USER

FIRST NAME

LAST NAME

DEPARTMENT/DIVISION

TITLE POSITION ID#

TELEPHONE NUMBER

FAX NUMBER

LOCATION ADDRESS

ROOM/SUITE NUMBER

CITY

ZIP CODE

PLAN DESIRED
TYPE

- BCC Stipend – VOICE
- BCC Stipend – DATA
- County owned/ Dept Budget – VOICE
- County owned/ Dept Budget – DATA

SERVICE PROVIDER DESIRED

- Sprint
- Nextel
- Other _____

EQUIPMENT

- Phone
- Smart Phone/PDA
- Air Card

JUSTIFICATION (Attach additional information as necessary):

BUDGET: (Identify Approved Budget Line) If not budgeted, attach proper funds transfer authorizations. Copies of all identified items must be sent with this form.

If equipment is being assigned:

I AM CERTIFYING THAT THE ABOVE INFORMATION AND JUSTIFICATION IS CORRECT AND COMPLETE. I UNDERSTAND THAT I AM ACCOUNTABLE FOR ALL ACTIONS AND USAGE OF THE ASSIGNED EQUIPMENT AS OUTLINED IN THE COUNTY'S CELLULAR DEVICE POLICY. IN ADDITION, I UNDERSTAND THAT I AM RESPONSIBLE FOR PROTECTING THE ASSET ASSIGNED TO ME AND THAT IT IS THE PROPERTY OF SEMINOLE COUNTY GOVERNMENT.

USER SIGNATURE _____
SIGNATURE

DATE _____
DATE

DIRECTOR SIGNATURE _____

IT OPERATIONS MANAGER _____

DEPUTY CM SIGNATURE _____

COUNTY MANAGER SIGNATURE _____