

## REVIEW OF COUNTY-WIDE CELL PHONE AUTHORIZATION, USE AND OVERSIGHT

This review examined cell-phone use and charges by County staff. The audit included reviewing Calendar Year 2010 cell-phone usage and charge information obtained from each of the County's three cell-phone providers, a review of County-wide and departmental cell-phone policies, and selected policies of other cities and counties around the country. The audit also obtained information on the extent of the County's overall telephone services, including the number and voice services cost for land-line telephones in County facilities. The audit included six sections providing findings regarding cell phone use and related telecommunications oversight issues, and a total of eight recommendations.

### KEY FINDINGS

- Based on usage and charge information provided by the County's three cell-phone providers, the County had 4,815 cell phone numbers that were active for billing purposes as of December 2010, with a total Calendar Year 2010 cost of about \$1.5 million. Costs per minute for these cell phone numbers averaged \$316 per phone and 22 cents per minute. However, the charges varied widely by provider, from a low of 17 cents per minute by Sprint, to a high of 50 cents per minute for an AT & T account with the Health and Hospital System. In addition, the County maintains an additional 28,020 land-line phones in offices, with an annual cost for telephone voice services of about \$1.8 million.
- Of the 4,815 cell phone numbers examined, 847 numbers, or 17.6 percent were identified as having low use during Calendar Year 2010, defined as use averaging six or fewer calls per month, 30 minutes or less use per month, or use that exceeded the six-call average only because of heavier use during three or fewer months in 2010. Eliminating these phones in favor of land-line use, replacement with a smaller number of pooled phones, or having employees use personal phones, with reimbursement, would provide potential cell phone cost reductions of \$239,847 annually, not including offsets for the alternatives.
- Of the 4,815 cell phone numbers examined, 333 numbers had minimal voice use, but were primarily used to transmit or receive data, probably primarily for e-mail access. Replacing these phones with providing County e-mail access to employees on their personal phones, with reimbursement for access costs estimated at \$16 per phone number, would produce estimated savings of up to \$146,358 annually.
- Of the 4,815 cell phone numbers examined, 452 had usage in minutes that was regularly less than the maximum permitted pursuant to the calling plan purchased. Switching these phones to lower cost plans that provide fewer minutes would produce estimated savings of up to \$72,926.
- About 79 percent of the potential savings identified in this review would occur in only 10 departments. A review of County-wide cell phone policies, and policies in individual departments, found that improvements could be made, including additional detail defining which staff should be given cell phones, and on what basis.
- Centralizing control over issuance of cell phones would permit additional expertise to be developed regarding who should receive phones, and with what features, and would facilitate competitive bidding of County-wide telephone services under a multi-year contract with a single vendor to reduce costs. The Center for Leadership and Training should conduct a County-wide assessment of all cell phone equipment and staff resources related to telephone services, and develop an organizational and staffing plan for the new centralized telephone management entity, which could be located in either the Information Services Department or the Facilities and Fleet Department.

A copy of the full report is available at:

<http://www.sccgov.org/managementauditor>