
January 2016

Performance Audit
Recommendations and Corrective
Actions for Audit: 13-7

STATE-ISSUED CELL PHONES

Twenty-Nine Percent of Cell
Phones Had Limited or No Use
and Opportunities Exist for
Savings

Dated: 11/04/2013

Audit No., Name	Rec #	Recommendation	Follow Up Date	Status & Date	Review Comments
13-7 STATE- ISSUED CELL PHONES Twenty-Nine Percent of Cell Phones Had Limited or No Use and Opportunities Exist for Savings	1	<p>We recommend that the Secretary of the Agency of Administration (AOA) and the Commissioner of Department of Information and Innovation (DII) work collaboratively to develop a policy framework that addresses cell phone management, including: 1) determination of specific business need for cell phones and required supervisory approval, 2) monitoring usage to ensure that service plans match actual need, 3) periodic review of continuing business need, 4) determining frequency and types of cell phones that will be available for upgrades, and 5) monitoring of the accuracy of the billing charges.</p>	2015	Not Implemented	<p>The Department of Buildings and General Services (BGS) reported that it hired GSG, an independent telecom analytics company to perform a review all cell phone usage and business processes during February - June 2014. Per BGS, the GSG report identified significant savings for eliminating no-use and limited-use cell phones but BGS is still working to validate total savings. According to the GSG report, the State could realize approximately \$14,282/month or \$171,384 annualized savings for implementing these recommendations. The GSG report also estimates a total annualized savings of \$504k for negotiating with the carriers for optimal rates based on usage. However, this response does not address our recommendation for developing a policy for cell phone management. Per BGS, the state will be implementing new telecommunications technology in calendar year 2016 in conjunction with a new policy to addresses cell phone management.</p>
		2016		<p><i>The three-year recommendation/follow-up for this audit will be conducted in 2016</i></p>	
	2	<p>We recommend that the Secretary of AOA and the Commissioner of the DII work collaboratively to require that agencies and departments adopt and document policies and procedures that address all aspects contained in the State's policy framework</p>	2015	Not Implemented	<p>BGS reported that this recommendation has not been implemented. Per BGS, with the implementation of new telecommunications technology in 2016, agencies and departments will be required to adopt relevant policies and procedures.</p>
			2016		<p><i>The three-year recommendation/follow-up for this audit will be conducted in 2016</i></p>

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			2016		<i>The three-year recommendation/follow-up for this audit will be conducted in 2016</i>
	4	We recommend that the Commissioner of the Department of Buildings and General Services (BGS) direct the Purchasing and Contracting Director to seek to negotiate plans with both cell phone providers that offer lower voice minute plans at lower cost.	2015	Partially Implemented	BGS reported that during the review by the contracted audit firm, BGS worked with State cell-providers, Verizon and AT&T to optimize its cell phone plans, eliminate overpriced voice pooling plans and reduce monthly cell phone rates. BGS is in the process of validating some of the Verizon savings at this time. Once the audit is complete, BGS Purchasing will work with State cell-phone providers to establish an annual process to review and optimize service plans based on usage.
			2016		<i>The three-year recommendation/follow-up for this audit will be conducted in 2016</i>
	5	We recommend that the Commissioner of the Department of Buildings and General Services (BGS) direct the Purchasing and Contracting Director to specify that optimization services are required in the Verizon contract or contract addendum.	2015	Not Implemented	BGS reported that it plans on working with state cell-phone providers in calendar year 2016 to establish an annual process to review and optimize service plans based on usage.
			2016		<i>The three-year recommendation/follow-up for this audit will be conducted in 2016</i>

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			2016		<i>The three-year recommendation/follow-up for this audit will be conducted in 2016</i>
	7	We recommend that the Commissioner of DII direct personnel responsible for cell phone management to work with cell phone providers to periodically analyze cell phone usage patterns to identify whether alternative service plans would better align with user needs.	2015	Partially Implemented	BGS reported that it contracted with an audit firm who analyzed the cell phone usage patterns in conjunction with cell phone plan providers Verizon and AT&T and identified efficiencies that were put into action. Once the audit is complete, BGS Purchasing will work with State cell-phone providers to establish an annual process to review and optimize service plans based on usage.
			2016		<i>The three-year recommendation/follow-up for this audit will be conducted in 2016</i>
	8	We recommend that the Secretary of the Agency of Natural Resources (ANR) direct personnel responsible for cell phone management to eliminate no-use and limited-use cell phones to the extent they are not needed for emergency response, the safety of state employees or other important operational rationale.	2015	Fully Implemented	ANR has replaced the majority of land lines with cell phones and instituted a policy which requires the divisional director and business office manager's approval when ordering new cell phones. Monthly reports are created and analyzed by ANR's Cell Phone Coordinator noting each cell phone's usage and the percentage of overall usage of pooled minutes. Recommended actions such as suspending or cancelling cell phones with no-use or limited usage are noted on the reports which are forwarded to the department's business office to determine if a change needs to be made to the plan or an employee needs to reimburse ANR for personal charges. The Director of ANR's Management Services Division analyzed land line and cell phone invoices from December 2012 to November 2013 which totaled \$589,043 compared to the past 12 month period which totaled \$538,391, a savings of \$50,652 or 9%
					No further follow-up is required because the recommendation was implemented

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					<p>No further follow-up is required because the recommendation was implemented</p>
	10	<p>We recommend that the Secretary of the Agency of Transportation (AOT) direct personnel responsible for cell phone management to eliminate no-use and limited-use cell phones to the extent they are not needed for emergency response, the safety of state employees or other important operational rationale.</p>	2015	Fully Implemented	<p>The BGS Director of Purchasing and Contracting provided a list of AOT cell phones with no- use and limited-use that were canceled in September and October of 2014.</p>
					<p>No further follow-up is required because the recommendation was implemented</p>
	11	<p>We recommend that the Secretary of the Agency of Transportation (AOT) work with cell phone providers to periodically analyze cell phone usage patterns to identify whether alternative service plans would better align with user needs.</p>	2015	Not Implemented	<p>AOT could not provide evidence that this recommendation was implemented because AOT has not maintained supporting documentation</p>
			2016		<p><i>The three-year recommendation/follow-up for this audit will be conducted in 2016</i></p>

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	No further follow-up is required because the recommendation was implemented				
	13	We recommend that the Commissioner of the Department of Children and Families (DCF) work with cell phone providers to periodically analyze cell phone usage patterns to identify whether alternative service plans would better align with user needs.	2015	Fully Implemented	DCF reported that it met with Verizon representatives and learned how to run cell phone usage reports. DCF also worked with Verizon to identify an alternative plan which pooled phone minutes in order to elimtate overage charges.
	No further follow-up is required because the recommendation was implemented				
	14	We recommend that the Commissioner of the Department of Public Safety (DPS) direct personnel responsible for cell phone management to eliminate no-use and limited-use cell phones to the extent they are not needed for emergency response, the safety of state employees or other important operational rationale.	2015	Fully Implemented	DPS reported that most phones that have no use but are needed for emergency purposes are suspended until needed at a \$0 cost. DPS provided monthly usage reports for Verizon and AT&T which showed there are currently 322 cell phones in use at DPS. We compared this to the 393 cell phones in use during our audits and calculated an 18% reduction in the number of cell phones since 2013. We conclude this reduction can be attributed to attrition and the elimination or suspension of no-use cell phone.
	No further follow-up is required because the recommendation was implemented				
	15	We recommend that the Commissioner of the Department of Public Safety (DPS) work with cell phone providers to periodically analyze cell phone usage patterns to identify whether alternative service plans would better align with user needs.	2015	Fully Implemented	DPS reported an estimated annual savings of \$30,545 (\$23,825 from Verizon and \$6,720 from AT&T) by working with the providers to adjust the plans to match the users usage and ended up cutting the number of shared minutes from 80,000 to 50,000 since only about 40,000 minutes a month were being used.
	No further follow-up is required because the recommendation was implemented				