

Clerk of Circuit Court
Audit Services Department

REVIEW OF
LONG-DISTANCE AND CELLULAR USAGE
March 22, 2004

HERNANDO COUNTY CLERK OF CIRCUIT COURT

AUDIT SERVICES DEPARTMENT

MEMORANDUM

TO: Richard "Dick" Radacky, County Administrator

VIA: Karen Nicolai, CPA, Clerk of Circuit Court

FROM: Peggy Prentice, CIA, CISA, Audit Services Manager

DATE: March 22, 2004

SUBJECT: Review of Long-Distance and Cellular Usage

The Audit Services Department's (ASD) Audit Projects Schedule included a compliance audit of long-distance and cellular usage. This project is complete.

The purpose of the ASD's review is to provide some assurance that Board of County Commissioners and Clerk of Circuit Court employees use their long-distance and cellular phone privileges in compliance with telephone usage policies and procedures. The purpose of the audit report is to furnish management independent, objective analyses, recommendations, counsel, and information concerning the activities reviewed. The audit report is a tool to help management discern and implement specific improvements. The audit report is not an appraisal or rating of management.

Although the ASD exercised due professional care in the performance of this audit, this should not be construed to mean that unreported noncompliance or irregularities do not exist. The deterrence of fraud and/or employee abuse is the responsibility of management. Audit procedures alone, even when carried out with professional care, do not guarantee that fraud and/or employee abuse will be detected. Specific areas for improvement are addressed in the report.

A copy of the report has been forwarded via you to the Board of County Commissioners as an agenda "correspondence to note" item.

If you have any questions, concerns, or need additional information in regard to the above or the attached report, please do not hesitate to contact me at (352)540-6235 or just stop by my office, room 201.

ATTACHMENT

Review of Long-Distance and Cellular Usage

copy: BOARD OF COUNTY COMMISSION:

Commissioner Mary Aiken
Commissioner Hannah “Nancy” M. Robinson
Commissioner Diane Rowden
Commissioner Robert C. Schenck
Frank McDowell, Interim Deputy County Administrator
George Zoettlein, Office of Management and Budget Director
Kurt Hitzemann, Senior Assistant County Attorney

Clerk of Circuit Court:

Amy Gillis, CPA, Finance Director

OTHER:

Chip Jones, KPMG
Hernando Today
St. Petersburg Times - Hernando Edition
WWJB Radio Station
Hernando County Public Library

Review of Long-Distance and Cellular Usage

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ACKNOWLEDGMENT

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ACKNOWLEDGMENT

Other minor findings, not included in this report, have been communicated to management and/or corrected during fieldwork. I thank the management and staff for their cooperation.

Fieldwork was performed by:

Peggy Prentice, CIA, CISA, Audit Services Manager
Barbara Fichter, Internal Auditor

This report was reviewed and authorized by Karen Nicolai, CPA, Clerk of Circuit Court, on March 16, 2004.

Review of Long-Distance and Cellular Usage

PURPOSE AND SCOPE

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PURPOSE:

The purpose of this review is to provide some assurance that employees use their long-distance and cellular phone privileges in compliance with telephone usage policies and procedures.

SCOPE:

The ASD addressed the following:

- Identified and tested a sample of long-distance calls made on the Cisco system on weekends and holidays from November 1 to December 31, 2003;
- Identified and tested a sample of long-distance calls made on the Cisco system exceeding 10 minutes in duration and placed between November 1 and December 31, 2003;
- Identified and tested a sample of cellular phone calls made on AT&T Wireless on weekends and holidays between November 1 and December 22, 2003;
- Identified and tested a sample of cellular calls made multiple times to the same caller and exceeded 10 minutes in duration and placed on AT&T Wireless between November 1 and December 22, 2003; and
- Reviewed a sample of AT&T Wireless cellular phone bills to determine if the calling plan is appropriate for users.

SCOPE LIMITATION:

The scope of work included CCC and BCC users except Audit Services. Other elected officials and state departments were not considered for testing/review.

Review of Long-Distance and Cellular Usage

**BACKGROUND, COMMENTS
AND
RECOMMENDATIONS**

Review of Long-Distance and Cellular Usage

Background

Several vendors provide land-line and cellular phone services to the Board of County Commissioners and the Clerk of Circuit Court. These services provide for receiving and placing local and long-distance calls. The Audit Services Department (ASD) reviewed long-distance calls placed on the Cisco land-line, and long-distance and local calls placed on AT&T Wireless. No other telephone calls or service providers were considered during testing.

The Board adopted at least one telephone usage policy and implemented at least two policies during the spring of 2001. On April 17, 2001, the Board approved revisions to one of their telephone policies. These revisions became known as Policies and Procedures For Cellular Telephone Use which was adopted April 18, 2001 (*see policy at Exhibit 1*). The Human Resources Personnel Manual - Telephone Policy indicates that its revisions were approved by the Board two weeks later on May 1, 2001. However, neither the Board minutes nor the Consent Agenda indicate that this policy was addressed/approved at this Board meeting. This date may be a typographical error. This policy's effective date is May 15, 2001 (*see policy at Exhibit 2*). The policies do not reference each other and they are not maintained in the same manual. The ASD was not able to find where the Policies and Procedures For Cellular Telephone Use is housed.

Based upon communications with management and Commissioners, it appears that it was the Board's intent for the Policies and Procedures For Cellular Telephone Use to mandate the Board's cellular usage directives. The Clerk of Circuit Court's Cellular Telephone Use Policy significantly mirrors this policy. Therefore, the ASD used the Policies and Procedures For Cellular Telephone Use as a basis for performing the cellular usage review.

The following criteria were used when testing for potential noncompliance indicators:

- < Number of calls placed to a unique phone number;
- < Callee appears to have a reasonable business relationship with the department making the call;
- < The duration of the call tested and any other calls to that unique phone number; and
- < Whether only one user or multiple users placed calls to that number.

Review of Long-Distance and Cellular Usage

Comments

LONG-DISTANCE CALLS PLACED ON CISCO

The ASD addressed compliance with telephone usage policies by testing a sample of long-distance phone calls placed on the Cisco system between November 1 and December 31, 2003. The ASD identified and tested calls placed on weekends and holidays and also singular calls exceeding 10 minutes in duration.

No material concerns or potential user abuse was identified during testing of long-distance calls placed on the Cisco system during the period reviewed.

CELLULAR CALLS PLACED ON AT&T WIRELESS

The ASD addressed compliance with telephone usage policies by testing a sample of cellular phone calls placed on AT&T Wireless between November 1 and December 22, 2003. The ASD identified and tested calls placed on weekends, holidays, and after hours, as well as, multiple calls to the same phone number exceeding a total of 10 minutes in duration. No material concerns or potential user abuse was identified during testing. However, based upon a very limited review, the ASD found indications that some wireless rate plans for some users may not be appropriate.

Recommendations

1. Consideration should be given to consolidating the Board's telephone policies: *Policies and Procedures For Cellular Telephone Use* and *Human Resources' Personnel Manual's Telephone Policy*. If it is determined that this is not feasible, then these policies should reference each other. The *Policies and Procedures For Cellular Telephone Use* should be housed in a policy manual so that it can be easily located and referenced.
2. AT&T Wireless has a variety of plans available to meet user needs. To ensure that the appropriate plan is assigned to the unique business needs of each user, consideration should be given to periodically comparing business usage to the plans available/assigned. This will ensure that the most cost effective plans are utilized based upon job requirements.

Review of Long-Distance and Cellular Usage

EXHIBIT A

[Copies of this Exhibit are available upon request]

Review of Long-Distance and Cellular Usage

EXHIBIT B

[Copies of this Exhibit are available upon request]