

COUNTY COUNCIL OF WICOMICO COUNTY, MARYLAND

2017 Legislative Session

Legislative Day No. 26

Resolution No. 160-2017

Introduced by: The President of the Council

A RESOLUTION ACCEPTING THE CELL PHONE AUDIT REPORT

WHEREAS, under Section 305, titled "County Internal Auditor" of the Charter of Wicomico County, Maryland, the Internal Auditor is charged with the duty to report on internal accounting controls, administrative and operating practices and procedures, and other pertinent financial and compliance matters within Wicomico County; and

WHEREAS, the Internal Auditor has submitted a Cell Phone Audit Report. The objectives of the audit were as follows: (1) Determine the current population of county cell phones; (2) Evaluate the types of usage; (3) Evaluate the plan types in effect; and (4) Determine if the county pays for unwanted/unneeded services and fees.

NOW, THEREFORE, BE IT RESOLVED, by the County Council of Wicomico County, Maryland that the Cell Phone Audit Report, attached as Exhibit A, is accepted.

Done at Salisbury, Maryland, this 21st day of November, 2017.

ATTEST:



Laura Hurley,
Council Administrator

COUNTY COUNCIL OF
WICOMICO COUNTY, MARYLAND



John T. Cannon,
Council President

CERTIFICATION

This Resolution was Adopted , Adopted with Amendments ____, Failed ____, Withdrawn ____ by the County Council on November 21, 2017.

Certified by 

Laura Hurley, Council Administrator



Wicomico County, Maryland
OFFICE OF THE INTERNAL AUDITOR

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Steve Roser, CPA, CIA/CRMA, CFE
Internal Auditor

November 13, 2017

Internal Auditor's Report

The County Council and County Executive of Wicomico County, Maryland:

Pursuant to Section 305(D) of the Wicomico County Code and Council Resolution No. 106-2017, the Wicomico County Office of the Internal Auditor (IA) performed an Audit of county cell phone usage. A report is submitted herewith. The purpose of the current audit was to determine status of cell phone usage in Wicomico County.

IA conducted the audit with due professional care, and IA planned and performed the audit to obtain an understanding of county cell phone usage in 2017. Our current contract with Verizon concerning cell phones remains in effect and little change occurred since the last inquiry. The audit therefore focused on cell phone usage.

The audit revealed that the county maintains a system for controlling cell phone usage that is adequate for its stated purposes. We created a working paper file and, with Council's permission, will forward to the County Purchasing Agent for evaluation of various issues contained in this report.

IA extends our appreciation to Management and Staff of Wicomico County across numerous departments for their timely assistance, cooperation, and input concerning county cell phones.

Respectfully submitted,

J. Stephen Roser, CPA

J. Stephen Roser, CPA
Internal Auditor

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Audit Report

Background

The purpose of this exercise was to determine the status of cell phone usage in Wicomico County, create a complete listing of county cell phones, and evaluate the list for purpose and assignment criteria. IA, with Council's permission, would like to provide the County Purchasing Agent and upper management with copies of the working papers for further evaluations.

Audit Objectives

The objectives of the audit were to:

1. Determine the current population of county cell phones
2. Evaluate the types of usage
3. Evaluate the plan types in effect
4. Determine if the county pays for unwanted/unneeded services and fees

Scope of the Audit

Objectives, scope, and methodology were adjusted as information was gathered. The audit period examined on a test basis was August 2017. The Scope was open ended. Observations, interviews, and inquiries with appropriate personnel were conducted, as well as examination of phone bills to:

- Create a master list of cell phones
- Evaluate charges
- Compare cell phone assignments to payroll

General Highlights and Statistics

Cell Phone Usage

Appendix I contains a breakout of cell phone usage by department for Wicomico County for the month of August 2017. The county has 295 cell phone lines including 168 lines with data usage. Total cost for August was \$12,590 including \$537 in equipment purchases. When compared to December 2013, the county has added 29 phone lines at a cost of \$899 per month (excluding equipment purchases). This represents an 11% increase in the number of lines at a 8% increase in cost.

Internal Controls

According to Purchasing, the bulk of accountability for cell phone usage resides at the department level. Individual department managers sign off on their individual cell phone bills. Department managers are responsible for maintaining cell phone usage (including equipment inventory) for their individual departments. Purchasing currently orders cell phones for users in the GOB and the Airport. The auditors found no significant deficiencies related to this practice and therefore recommend no changes to current practice at this time.

Data Lines

In August 2017, the billing showed data usage only for over half of the phone lines (168 of 295). The Sheriff's Office is the largest user of this type of plan in order to equip vehicles with internet

communication. Most county cell phones use an unlimited data plan. That is, there should be minimal additional charge for exceeding a defined limit of data usage.

Conclusion

Based on testing, evidence gathered, and interviews performed pursuant to the County Cell Phone Usage Audit, IA is of the opinion that cell phone usage, and existence are at a level satisfactory¹ to the criteria tested.

Schedule of Findings and Recommendations

The findings listed below represent some key issues that bear discussion as an added feature to the audit process. It is noteworthy that Wicomico County cell phone usage, as stated in the conclusion, is satisfactory within the scope of the audit. The audit revealed no evidence of material weakness or significant deficiencies in the areas tested. The findings are both positive and negative and they do not rise to the level of concern that material weakness or significant deficiencies would garner.

1. Equipment Purchases

During the test period, the county made equipment purchases totaling \$537. We reviewed all purchases for legitimacy and found no anomalies. Purchases were up slightly from the prior audit.

2. Payroll Test

IA tested cell phone lines assigned to named individuals with county payroll records and found no discrepancies. The auditors found ten of the 295 cell phone lines assigned to individuals not on the county payroll. Two lines were recently cancelled and removed, one employee changed her name due to marriage, and the county reassigned the balance to other current employees. We recommend that managers contact Verizon to have the assignee's name changed when reassigning cell phones.

3. Taxes Paid

The county does not pay taxes on its cell phone lines and Verizon did not charge for any taxes during the test period.

4. Outliers

The vast majority of monthly access charges from Verizon to the county ranged under \$70.00 per month. IA discovered two lines that Verizon charged more than \$70.00 for August 2017. One number was corrected and the county received a refund. The other phone line (per Purchasing) was a legitimate charge.

¹ For the purposes of this audit, IA uses a three-tier grading system recommended by the International Professional Practices Framework (IPPF) as expressed by the IPPF Practice Guide issued March 2009. The three tiers are Inadequate System of Internal Control, Adequate System of Internal Control, and Satisfactory System of Internal Control. Satisfactory findings indicate that overall controls are satisfactory, although some enhancements may be recommended. It is the highest rating on the scale.

5. Usage Charges

According to Verizon Wireless support, usage charges are charges for minutes, text messages, or data usage that exceeds any monthly allowance. One phone line incurred usage charges of \$431.50. We alerted Purchasing of the incident for investigation. The balance of usage charges totaled only \$131.00 for the entire county.

Auditor's Closing Remark

The Wicomico County Office of the Internal Auditor would like to thank management and staff from numerous Wicomico County Departments for their timely cooperation and assistance during the audit.

Appendix I – Cell Phone Usage by Department for August 2017 with Comparison to Prior Audits

Department	Total Lines	Data Lines	Equipment	Dept. Total
Sheriff's Department	107	85	\$ 200	\$ 3,704
State's Attorney	28	8		\$ 1,299
EMS	34	27		\$ 1,171
Corrections	22	10		\$ 965
Solid Waste	10	3	\$ 175	\$ 613
Airport	2	1		\$ 536
Planning and Zoning	8	1	\$ 112	\$ 512
Roads	11	3		\$ 510
County Council	9	2		\$ 428
Administration	7	3	\$ 49	\$ 409
IT	7	1		\$ 364
Recreation, Parks, Tourism	8	5		\$ 340
General Services	7	1		\$ 338
Mosquito Control	8	7		\$ 234
Rec & Parks	6	4		\$ 227
Tourism	5	2		\$ 220
Parks Division	5	3		\$ 191
LMB	2	1		\$ 98
Purchasing	2			\$ 96
Elections	2			\$ 95
Human Resources	2	1		\$ 83
Liquor Licensing Board	1			\$ 61
Circuit Court	1			\$ 48
Finance	1			\$ 48
Totals	295	168	\$ 537	\$ 12,590
December 2013	266	178	\$ 347	\$ 11,501
April 2011	216	N/A	\$ 182	\$ 11,141
January 2011	236	N/A	\$ 100	\$ 10,571