



# Wicomico County, Maryland

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**February 26, 2014**

### **Internal Auditor's Report**

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

The Wicomico County Office of the Internal Auditor (IA) performed a follow-up to the Telecommunications Audit (report dated October 18, 2011). A report is submitted herewith. The purpose of the current audit was to determine status of telecommunication in Wicomico County. Specifically, we wanted to determine the status of cell phone usage in the county.

IA conducted the audit with due professional care, and IA planned and performed the audit to obtain an understanding of county telecommunications in 2014. Our current contract with Verizon concerning landlines 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  
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 October to December 2013. 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 leveraging the templates from the Telecommunications Audit (report dated October 18, 2011)
- Evaluate charges
- Compare cell phone assignments to payroll
- Compare cell phone usage to job classifications

## 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 December 2013. The county has 266 cell phone lines including 178 lines with data usage. Total cost for December was \$11,500.95 including \$347.42 in equipment purchases. When compared to January 2011, the county has added 30 phone lines at a cost of \$682.64 per month (excluding equipment purchases). This represents a 13% increase in the number of lines at a 7% increase in cost.

### Data Lines

According to [PC Magazine Encyclopedia](#), the definition of data as it relates to cell phones is as follows:

*[Cell phone data is] the transmission of non-voice data via cellphone, which is an extra-cost subscription service beyond voice calling. The primary types of cellular data are e-mail messages and Web pages. Although not voice, text messaging (SMS) generally does not fall into the cellular data service, but is offered for a flat monthly fee or on a per-message basis.*

In December 2013, the billing showed data usage on 2/3 of the phone lines (178 of 266). Some of the lines (approximately 87) represent dedicated data service for laptop computers and "hotspots" as defined by a monthly charge of \$39.99. The Sheriff's Office is the largest user of this type of plan in order to equip vehicles with internet communication. The county uses an unlimited data plan. That is, there should be no additional charge for exceeding a defined limit of data usage.

## Payroll Test

IA tested 148 cell phone lines assigned to named individuals with county payroll records and found no discrepancies. Six names on the initial comparison did not match up because of reassignment and employee name changes. IA recommends periodic scrutiny of billing for numbers assigned to names that may need adjustment. Additionally, IA compared the 148 lines assigned to individuals to job classifications. Appendix II contains a breakout of the number of lines assigned to the various job classifications.

## 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 satisfactory<sup>1</sup> 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 twenty-one equipment purchases totaling \$1,918.34. The range for single purchases was from \$22.99 to \$274.89. We recommend management evaluation of equipment purchases to determine if the charges are in line with county needs and the Verizon plan benefits.

### 2. Taxes Paid

The county does not pay taxes on the vast majority of its cell phone lines. A few lines in various departments paid \$107.04 in taxes during the test period. IA recommends evaluation of the lines for which the county paid taxes to determine legitimacy.

### 3. Outliers

The vast majority of monthly access charges from Verizon to the county ranged under \$50.00 per month. IA discovered seventeen lines with monthly access charges ranging from \$58.07 to \$81.42. We recommend management evaluation of the seventeen lines for legitimacy. IA can supply the list of outlier phone numbers to management upon request.

### 4. Usage Charges

According to Verizon Wireless support, usage charges are charges for minutes, text messages, or data usage that exceeds monthly allowance as stated in the plan. Some phone lines incurred usage charges for each portion of the test period. Total usage charges for December were \$83.88. We suggest that management investigate the legitimacy of usage charges billed to the county.

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<sup>1</sup> 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.

### **Management Response**

As part of our ongoing attempts to cut our telecommunications costs and monitor the cell phone distribution the Purchasing Department has deployed the Technical Procurement Specialist to create a master list of cell phone accounts and to work with our Verizon sales representative to give our users information on when their plans expire and upgrades are available, and to tailor those plans to usage in order to save costs. We have also established this Purchasing Department position as the clearinghouse for adding new equipment, service, or cell phone lines. We are also working on establishing criteria for when an employee is eligible for a County cell phone. In addition, we have met with our Verizon rep and discussed how we can simplify our billing and we have examined options for online billing by Department to save time and the costs of paper billing. We plan to review the billing on a regular basis as part of this ongoing process.

*Rick Konrad (Purchasing Agent)*

### **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. We hope that the information gathered here can assist the Purchasing Agent in his efforts as mentioned in the previous section of this report. Unless instructed otherwise, IA plans to perform follow-up on the findings after 120 days.

## Appendix I - Cell Phone Usage by Department for December 2013

Department	Total Number of Lines	Data Lines <sup>2</sup>	Monthly Access	Sur-charges	Usage Charges	Taxes	Equipment	Total Expense
Sheriff's Office	77	66	\$3,113.16	\$29.34	\$1.25			\$3,143.75
State's Attorney	27	25	\$1,253.74	\$33.52	\$6.08		\$99.99	\$1,393.33
Corrections	20	12	\$936.14	\$26.89	\$0.85		\$224.94	\$1,188.82
Emergency Services	34	8	\$972.26	\$29.87				\$1,002.13
Narcotics Tax Force <sup>3</sup>	12	12	\$568.76	\$13.26				\$582.02
Administration	9	9	\$463.74	\$8.10	\$0.04		\$22.49	\$494.37
Recreation, Parks, Tourism	11	6	\$460.30	\$9.34	\$4.03	\$16.77		\$490.44
IT	8	7	\$383.78	\$9.73	\$9.99	\$13.32		\$416.82
Roads	10	2	\$344.93	\$13.23	\$1.30	\$18.57		\$378.03
County Council	7	6	\$336.49	\$10.18	\$18.22			\$364.89
Solid Waste	9	3	\$337.25	\$11.97				\$349.22
Planning and Zoning	7	5	\$300.33	\$10.02	\$12.92			\$323.27
General Services	6	1	\$232.45	\$8.39	\$5.94			\$246.78
Recreation & Parks	5	2	\$194.95	\$5.61	\$0.04			\$200.60
Tourism	3	3	\$144.21	\$4.29				\$148.50
Circuit Court	3	2	\$124.21	\$3.93				\$128.14
Parks Division	3		\$115.74	\$3.81		\$7.18		\$126.73
Liquor Licensing Board	1	1	\$69.99	\$3.52	\$23.20	\$5.81		\$102.52
Airport	2	2	\$96.14	\$2.86				\$99.00
LMB	2	1	\$92.30	\$2.74				\$95.04
Mosquito Control <sup>4</sup>	7	2	\$88.06	\$1.45				\$89.51
Law	1	1	\$48.07	\$1.43				\$49.50
Elections	1	1	\$46.15	\$1.36				\$47.51
Human Resources	1	1	\$39.99	\$0.02	\$0.02			\$40.03
<b>Totals</b>	<b>266</b>	<b>178</b>	<b>\$10,763.14</b>	<b>\$244.86</b>	<b>\$83.88</b>	<b>\$61.65</b>	<b>\$347.42</b>	<b><u>\$11,500.95</u></b>

<sup>2</sup>This column represents lines that use data and are Included in total number of lines

<sup>3</sup> Totals match billing... breakout is estimated due to confidentiality concerns

<sup>4</sup> Mosquito Control has five seasonal lines that are suspended during periods when spraying does not take place including December

## Appendix II - Breakout of Assigned Lines to Job Classifications

Job Classifications	Number of Lines	Job Classifications	Number of Lines
ASST STATES ATTORNEY II	7	COUNCIL ADMINISTRATOR	1
ASST STATES ATTORNEY I	5	COUNCIL PRESIDENT	1
DEPUTY SHERIFF/DFC	5	COUNCIL VICE PRESIDENT	1
ADMIN OFFICE ASSOCIATE I	4	COUNTY ATTORNEY	1
DEPUTY SHERIFF/SERGEANT	4	COURT ADMINISTRATOR	1
ASST STATES ATTORNEY III	3	DEPUTY DIRECTOR EMERGENCY SVCS	1
COMMUNITY CORRECTIONAL OFFICER	3	DEPUTY DIRECTOR IT	1
COUNCIL MEMBER	3	DEPUTY DIRECTOR PUBLIC WORKS	1
CREW LEADER I	3	DEPUTY SHERIFF/CHIEF DEPUTY	1
PUBLIC INFORMATION OFFICER	3	DEPUTY SHERIFF/FIRST SERGEANT	1
ADMIN OFFICE SUPERVISOR	2	DEPUTY STATES ATTORNEY	1
ASST DIRECTOR ADMINISTRATION	2	DIRECTOR CORRECTIONS	1
CIVIL ENGINEER II	2	DIRECTOR PUBLIC WORKS	1
CORRECTIONAL OFCR/ MAJOR	2	ELECTIONS SUPERVISOR	1
COUNTY EXECUTIVE	2	EMERG MGMT PLANNER	1
DATA SERVICES TECHNICIAN	2	EMERGENCY MGMT COORDINATOR	1
DEPUTY DIR REC PKS & TOURISM	2	ENTOMOLOGIST	1
DEPUTY DIRECTOR CORRECTIONS	2	FIRE INSPECTOR	1
DEPUTY SHERIFF/CAPTAIN	2	GENERAL SERVICES SUPERVISOR	1
DEPUTY SHERIFF/CORPORAL	2	INTERNAL AUDITOR	1
DEPUTY SHERIFF/LIEUTENANT	2	MECHANIC II	1
DIRECTOR EMERGENCY SVCS	2	NETWORK TECHNICIAN	1
DIRECTOR INFO TECHNOLOGY	2	OPERATIONS MAINTENANCE SUPVR	1
DIRECTOR OF ADMINISTRATION	2	OPERATIONS MANAGER	1
DIRECTOR REC PARKS & TOURISM	2	PROJECT COORDINATOR II	1
FACILITIES MAINTENANCE TECHN	2	PUBLIC WORKS INSPECTOR	1
MAINTENANCE TECHNICIAN	2	PUBLIC WORKS INSPECTOR II	1
MAINTENANCE SUPERVISOR	2	PURCHASING AGENT	1
NETWORK SPECIALIST	2	QUARTERMASTER	1
RECREATION SUPERINTENDENT	2	RADIO COMM ELECTRONIC SPECIALI	1
STATES ATTORNEY	2	RADIO SYSTEMS MANAGER	1
STATES ATTORNEY INVESTIGATOR	2	REC & PARKS, PART TIME	1
DIRECTOR PLANNING & ZONING	2	RECYCLING COORDINATOR	1
AIRPORT MANAGER	1	ROADS SUPERINTENDENT	1
ASSISTANT COURT ADMINISTRATOR	1	SHERIFF	1
ASSISTANT MANAGER TOURISM	1	SHOP SUPERVISOR	1
BUILDING INSPECTOR	1	SOLID WASTE TECHNICIAN	1
BUILDING MAINTENANCE TECHN III	1	SPECIAL INVESTIGATOR/PROG MGR	1
CHIEF ALCOHOL LICENSE INSPECT	1	SUPINTENDENT WASTE DISPOSAL	1
CHIEF BUILDING INSPECTOR	1	TOURISM MANAGER	1
CHIEF COMMUNICATION SUPVR	1	VICTIM WITNESS COORDINATOR	1
CHIEF FIRE PROTECTION SP	1	YOUTH & CIVIC CENTER MGR	1
CLASSIFICATION SUPVR/PROG DIR	1	YOUTH & CIVIC CTR ASST MGR	1
CODE ENFORCEMENT OFFICER	1	PROGRAM DIRECTOR	1
COMMUNITY CORRECTIONS SUPVR	1	DRUG COURT COORDINATOR	1
CORRECTIONAL OFCR /CAPTAIN	1	RADIO COMMUNICATION ELECT TECH	1
CORRECTIONAL OFFICER LT	1	DIR OF MKTG & PUB RELATIONS	1
CORRECTIONS FACILITIES MGR	1	<b>Total Lines assigned to individuals<sup>5</sup></b>	<b>148</b>

<sup>5</sup> Does not include 12 lines assigned to WINTF