



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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15-17 Mobile Device Bill Accuracy

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Purpose

Review wireless bills for accuracy and verify that appropriate levels of service were being contracted. We also reviewed internal policies and looked for improvements in efficiency and economy. Our audit period focused on 2014 billing data.

Highlights

We conclude that improvements could be made in the management of devices provided through Verizon Wireless that should help lower costs and improve efficiency. Overall, the bills provided by Verizon reflected the services that had been contracted and billing credits were generally received after errors were detected. Improvements are needed to ensure the correct level of service is requested by the department administrators.

In April 2013, the City of Colorado Springs entered into a one-year, city-wide contract with Verizon Wireless to provide cell phone and mobile connectivity to all City departments. During 2014, the City paid \$914,419.17 for wireless services. City Department of Information Technology (DoIT) was heavily involved in the implementation of the Verizon contract. Following implementation, responsibility for managing the accounts and devices was transferred to a designated cell phone administrator in each department. Many department administrators had developed effective steps for managing services provided by Verizon, but others had not. To reduce the potential for errors and to encourage consistency, instructions should be documented in written policies and procedures.

The City contracted with a company to provide recycling for their unwanted devices during the transition to Verizon. This arrangement has resulted in over \$17,000 in receipts to the General Fund since 2013.

Five observations and recommendations were provided to management. Please see page two of this report for observation details.

We'd like to thank the many department representatives and Verizon personnel who assisted us with this audit.

Management Response

Management was in agreement with our recommendations.

Recommendations

1. City-wide policies and procedures should be developed related to cell phone administration.
2. Work with Verizon's "My Business" team to customize the Verizon website and train department administrators.
3. The City should negotiate with Verizon to allow devices to be temporarily suspended for longer periods.
4. Realign current sub-accounts at the departmental level to reduce the number of monthly invoices and checks processed per department.
5. Modify rate plans to optimize cost and minutes. Consider assigning responsibility for contract administration and oversight.

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Observation 1

Departments were responsible for maintaining their own accounts with Verizon, but no written policies and procedures were in place. Departmental cell phone administrators should have policies and procedures to guide them through the process of managing devices. Initial training was provided to the administrators when the Verizon contract was first executed, however instructions were not documented in policies and procedures.

Recommendation

City-wide policies and procedures should be developed related to cell phone administration. Administrators should retain flexibility to manage devices to meet departmental needs.

Observation 2

The Verizon "My Business" website allows department administrators to view past billing statements, order new devices, and maintain the department's sub account. The Verizon website should show the correct pricing and should be easy to use. Verizon is willing and available to provide training for City employees. The website can be customized. The poor design of the Verizon website has resulted in devices being activated under the incorrect plans, administrators being unable to order devices, and administrators abandoning the website to order by email.

Recommendation

Work with Verizon's "My Business" team to customize the website and train all department administrators. Create written guidance and instructions for administrators on proper use of the website.

Observation 3

Departments were temporarily suspending devices used for seasonal workers. The Verizon contract allowed devices to be suspended for two 90 day periods, however, suspended devices automatically activate after the first 90 day period without City administrator intervention. Verizon should allow devices to be temporarily suspended for one period of 180 days. Departments were charged for devices that are not needed when the temporarily suspended devices automatically reactivated after the first 90 day period.

Recommendation

Work with Verizon to renegotiate the amount of time devices can be temporarily suspended.

Observation 4

Verizon allowed the City's main account to be split into sub accounts and each sub account received its own bill. In 2014, Accounts Payable submitted 387 checks to Verizon, 26% of these were for less than \$150. Whenever possible, each sub-account should represent one department.

Recommendation

Realign current sub-accounts at the departmental level to reduce the number of monthly invoices and checks processed per department.

Observation 5

The rate plans can be arranged with shared minutes if 50% of the devices have zero minutes and 50% with minutes. The plans should be selected to optimize the minutes needed and the cost of the plan. Only 145 out of 1,234 devices were on the zero minute plans. Department administrators were allowed to choose the plans and no one had responsibility at the City to determine if plans were optimized. Based on data from 2014, \$33,950 annually could be saved if the plans were adjusted to be 50% on zero minutes and 50% with minutes. Currently there was no central administration over cell phones where economies across the City could be addressed.

Recommendation

Rate plans should be modified to take advantage of the optimum combination of zero minute plans and plans with specified minutes. Consider assigning City-wide responsibility for administration of the contract to a single individual.