



# **INTERNAL AUDIT**

## **Performance Audit of Cell Phones Follow-up**

**R-22-07**

**June 18, 2024**

## Table of Contents

Executive Summary	2
Attachment A: Detail of Recommendations	4
Attachment A: Detail of Cell Phone Use Statistics	7

## Rating Matrix

Descriptor	Guide
<b>High</b>	Matters considered being fundamental to the maintenance of internal control or good corporate governance. These matters should be subject to agreed remedial action within three months.
<b>Medium</b>	Matters considered being important to the maintenance of internal control or good corporate governance. These matters should be subject to agreed remedial action within six months.
<b>Low</b>	Matters considered being of minor importance to the maintenance of internal control or good corporate governance or that represents an opportunity for improving the efficiency of existing processes. These matters should be subject to agreed remedial action and further evaluation within twelve months.

## Distribution List

Title	For Action	For Information	Reviewed prior to release
Executive Director		*	*
Chief Financial Officer		*	
Information Technology Director	*		
IT Network Support Manager	*		
Records Manager			*

## Executive Summary

### Introduction

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The Audit Committee directed Internal Audit (IA) to conduct a performance audit to determine if controls over cell phone management are designed adequately and operating effectively to ensure compliance with internal policies and procedures as well as to support the achievement of management objectives. The Audit Plan was approved by the Audit Committee on January 31, 2022.

This audit phase was completed May 16, 2022 and was conducted in accordance with the International Standards for the Professional Practice of Internal Audit, published by the Institute of Internal Auditors. The follow-up phase was completed May 2, 2024, and was also completed according to these standards.

### Background and Functional Overview

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The Technology Support Supervisor and the Technology Support Specialist currently manage the cellular services for UTA. These include ordering, provisioning, and general technical support of the devices and the associated services. Financial responsibility is the responsibility of each business unit. The account charged is the accounting code for Utilities, 50521.90. The charges include the cost of the device and the monthly cost of service(s).

As of May 7, 2024 UTA is billed for approximately 3,400 lines of service spanning five providers. Below is the line of service breakdown<sup>1</sup>:

- FirstNet:
  - Admin 749
  - Rail 145
  - PD 197
  - Radio 15
- GeoTab:
  - Support Fleet 602
  - Vanpool 508
  - No Vehicle 67
- Verizon
  - 6 lines of service
- T-Mobile
  - 25 lines of service
- AT&T:
  - Bus 1,051
  - FrontRunner 50
  - Trax 11
  - Metrocell 4 (no cost generation)

### Objectives and Scope

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The period of the performance audit phase focused on activity between January 1, 2020, to January 31,

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<sup>1</sup> Data was provided by Technology Support management on May 7, 2024.

2022. Additional periods were reviewed, as necessary.

The primary areas of focus for the audit were:

- Governance
- Onboarding process
- Offboarding process
- Ongoing consideration

We focused on periods since January 2022 for the follow-up phase and reviewed the current status of the action plan from the initial audit report. We also re-performed analysis of cell phone use statistics.

## Summary

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### *Audit Phase Summary*

IA found that the Information Technology (IT) department has the skills and expertise needed to manage UTA cell phones, but they lack the resources and governance structure to do so with full effectiveness.

### *Follow-up Phase Summary*

We found that management continues to be under-resourced in their efforts to govern cell phones and related assets. Requests for additional headcount was denied and no new policies or standard operating procedures were adopted. Management is limited by resources to the basic tasks associated with these assets, such as activating new lines, turning off service when requested, and setting basic user requirements. Management could more effectively manage these assets if properly resourced. With additional support, management could address aspects of integration such as monitoring usage, setting policy, and performing asset inventory. Internal Audit renews its recommendation that the department receive priority consideration for additional headcount.

## Attachment A: Details of Recommendations

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**Audit Finding R-22-07-1 Cell Phone Governance and Resources**

**Risk Level: Medium**

### **Performance Audit Status**

#### **Criteria:**

Utah Transit Authority Corporate Policy No. 1.1.24 Acceptable Use of Technology Resources Policy section IV. B. states:

*“All Technology Resources owned by UTA are managed by the Technology Department.”*

#### **Details:**

Current UTA inventory of cell phone devices and services are widely used across the organization. While corporate policy has established the IT department as having the ultimate authority to manage these devices and services, the application of this authority is underdeveloped.

Additionally, the scope of managing and tracking cell phone resources is time intensive. Due to current staffing and duty prioritization cell phone device and service management is inadequate for UTA’s needs. Under the current job description for the Technology Support Supervisor, accurate record keeping of cell phones (among other tools and services) should only make up 10% of the position’s time. One tenth of one position’s time is insufficient to exercise necessary governance and manage needed tasks.

**Underlying Cause:**

IT's responsibility of managing and tracking technology resources throughout the organization was initially formalized in policy in 2010 and has undergone two revisions (in 2014 and 2016 respectively) since. The increasing reliance on cell phone devices and related services at UTA has substantially expanded the amount of work required from the Technology Support Supervisor to manage those resources appropriately.

**Effect:**

- The Technology Support Supervisor reported the following limitations:
  - Cell phone orders are not completed in a timely manner.
  - Cell phone usage audits (zero usage) are done sporadically.
  - Business\bill analysis is not done.
  - Policy generation and update is not done.
  - Onboarding\offboarding is not done effectively or timely due to lack of process and collaboration between business units, IT, and Human Resources.
  - Current process is vulnerable to ethically questionable decisions.
  - Current process is vulnerable to monetary waste.
  - Improvements are not done in a timely manner due to limitations (time, resources, authority, collaboration).
  - Approvals are not standardized or meaningful.
  - Billing support is not done optimally.
  - Managing cellular service takes time that could be spent on higher priority duties.
  
- IT cellular service records are incomplete and/or inaccurate, including:
  - Five service lines assigned to the wrong department, based on the assigned user.
  - 12 service lines not assigned to a user in IT records.
  - 16 lines of service that are no longer active.
  - 90 active cell phones with the incorrect user assigned
  - 40 active data only lines (such as tablets or MiFi) with the incorrect user assigned.
  - 31 cell lines are being paid for but there is no active user. Device whereabouts are unknown in some instances.
  - 12 lines of service are active but it is unknown what happened to them or if they are being used.
  
- Cellular service use data for FirstNet bills from December 2021 to February 2022 were compiled and averaged<sup>2</sup>.
  - 208 service lines had zero use at a monthly cost of \$8,300.
  - Over 50% of service lines have low use in at least one category of talk, text, or data. Depending on the degree of overlap in low use categories, the approximate cost ranges from \$14,000 to \$42,100 per month. These lines could potentially be turned off with minimal business disruption.<sup>3</sup>

**Recommendations:**

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<sup>2</sup> Due to data limitations, data was manually compiled by the auditors. The figures accordingly have minor clerical errors and should be considered approximations but are sufficiently accurate for illustrating patterns.

<sup>3</sup> Refer to Attachment B for complete statistics and definitions of low use.

1. Create a full-time position with the primary responsibility to manage and track cellular services and devices, establish onboarding and offboarding procedures, and solidify governance authority.
2. Require cellular service users to formally justify the business need for existing tools and services.

**Management Response and Action Plan:**

The IT Network Support Manager will request a budget for a full-time position responsible for the inventory and accuracy of IT assets and services in the 2023 budget.

The IT Network Support Manager will work with the IT Director and Executive management to establish governance authority roles and responsibilities, standards, and best practices for devices, services, and auditing. We will also re-initiate the improvement project focused on the onboarding and offboarding procedures for mobile devices and associated services.

**Target Completion Date:**

June 30, 2023

**Current Status:**

Management requested a full-time position for the 2023 budget to help with cell phone governance, but the request was denied. This resource is desired not just for cell phone management but also for better asset management, as required by federal regulation. Management stated they will request the resource again in the 2025 budget.

Management has implemented stricter control over what devices can be purchased. The IT purchase portal allows for two cell phone models to be purchased and exceptions to this require approval. No other noteworthy governance improvements have occurred. Per Tom Smith no policies or standard operating procedures have been adopted or updated since the audit in 2022.

Cellular use statistics continue to have large percentages of lines with no to low use – see Attachment C below. These use patterns suggest that there are cost savings available if management could proactively monitor and verify need of lines of service. However, management is too shorthanded to systematically perform these types of governing tasks.

Internal Audit continues to support the positive control improvements that could be achieved with greater resourcing. Adding additional support could not only assist with better control over cell phone and related devices, but with electronic asset inventory, software licensing, and policy development and deployment. The position would also positively impact the workload of the Network Support Manager and Technology Support Supervisor to focus on management-level activities.

## Attachment B: Details of Cell Phone Use Statistics – Audit Phase

### Summary of Cell Phone Use Statistics

- *Figure 1.* 208 service lines had zero use, at a cost of about \$8,300.
- *Figure 2.* An average of 55.51% of cell phones had 100 minutes or less of talk per month, at a cost of \$13,850.
- *Figure 3.* An average of 62.69% of cell phones had 100 text messages or less per month, at a cost of \$15,720.
- *Figure 4.* An average of 45.57% of cell phones used less than 1 gigabyte of data per month, at a cost of \$12,580.
- *Figure 5.* An average of 54% of data only lines had use of less than 10 gigabyte per month, at a cost of \$3,500.

*Figure 1.*

<b>Talk - Use Averages Dec 2021 - Feb 2022</b>						
<b>Range</b>	<b>Dec '21</b>	<b>Jan '22</b>	<b>Feb '22</b>	<b>Avg.</b>	<b>% of Total</b>	<b>Approx. Cost</b>
0	50	56	63	56	9.04%	\$ 2,255.59
1 to 50	207	204	223	211	33.90%	\$ 8,461.79
51 to 100	77	83	75	78	12.57%	\$ 3,136.47
101 to 150	55	52	48	52	8.29%	\$ 2,068.73
151 to 200	34	45	34	38	6.04%	\$ 1,508.17
201 to 250	32	23	32	29	4.65%	\$ 1,161.16
251 to 300	29	18	18	22	3.48%	\$ 867.53
300 or more	135	140	137	137	22.03%	\$ 5,498.83
<b>Total</b>	<b>619</b>	<b>621</b>	<b>630</b>	<b>623</b>		

*Figure 2.*

<b>Text - Use Averages Dec 2021 - Feb 2022</b>						
<b>Range</b>	<b>Dec '21</b>	<b>Jan '22</b>	<b>Feb '22</b>	<b>Avg.</b>	<b>% of Total</b>	<b>Approx. Cost</b>
0	41	18	40	33	5.27%	\$ 1,321.32
1 to 50	249	290	276	272	43.37%	\$ 10,877.53
51 to 100	79	94	91	88	14.05%	\$ 3,523.52
101 to 150	56	45	50	50	8.04%	\$ 2,015.35
151 to 200	25	29	28	27	4.36%	\$ 1,094.43
201 to 250	22	20	21	21	3.35%	\$ 840.84
251 to 300	20	16	15	17	2.71%	\$ 680.68
300 or more	124	113	117	118	18.84%	\$ 4,724.72
<b>Total</b>	<b>616</b>	<b>625</b>	<b>638</b>	<b>626</b>		

Figure 3.

<b>Data - Use Averages Dec 2021 - Feb 2022</b>						
<b>Range</b>	<b>Dec '21</b>	<b>Jan '22</b>	<b>Feb '22</b>	<b>Avg.</b>	<b>% of Total</b>	<b>Approx. Cost</b>
0	14	17	17	16	2.74%	\$ 640.64
1 to 100	34	36	42	37	6.76%	\$ 1,494.83
101 to 500	145	149	125	140	20.13%	\$ 5,592.25
501 to 1,000	148	117	99	121	15.94%	\$ 4,858.19
1,001 - 2,000	107	95	111	104	17.87%	\$ 4,177.51
2,000 or more	169	202	236	202	38.00%	\$ 8,101.43
<b>Total</b>	<b>617</b>	<b>616</b>	<b>630</b>	<b>621</b>		

Figure 4.

<b>MiFi/Tablets - Use Averages Dec 2021 - Feb 2022</b>						
<b>Range</b>	<b>Dec '21</b>	<b>Jan '22</b>	<b>Feb '22</b>	<b>Avg.</b>	<b>% of Total</b>	<b>Approx. Cost</b>
0-10K	91	82	91	88	53.99%	\$ 3,523.52
10k or more	71	74	80	75	46.01%	\$ 3,003.00
<b>Total</b>	<b>162</b>	<b>156</b>	<b>171</b>	<b>163</b>		

Figure 5.

<b>Zero Use Devices - approximate from Dec 2021 - Feb 2022</b>						
<b>Range</b>	<b>Dec '21</b>	<b>Jan '22</b>	<b>Feb '22</b>	<b>Avg.</b>	<b>% of Total</b>	<b>Approx. Cost</b>
0	204	221	200	208	25.51%	\$ 8,341.67

### Attachment C: Details of Cell Phone Use Statistics – Follow-up Phase

The following charts summarize the use patterns of UTA cell phones and related devices for the period January 2022 through February 2024. These figures are an estimate only because of limitations and insufficiencies in data and approach. The purpose is not to advocate that specific lines of service should be removed but to demonstrate the need for greater governance and resourcing that would help reduce the low use indicated by the data.

Figure 6. Voice Use 1/2022 - 2/2024

<b>Range of Minutes</b>	<b>Monthly Avg</b>	<b>Percent of Total</b>
0	957	65.73%
1-100	121	8.34%
101-500	166	11.43%
500 or more	211	14.50%



*Figure 7. Text Use 1/2022 - 2/2024*

<b>Range of Texts</b>	<b>Monthly Avg</b>	<b>Percent of Total</b>
0	842	57.79%
1-100	391	26.82%
101-500	143	9.81%
501 or more	81	5.58%

*Figure 8. Data Use 1/2022 - 2/2024*

<b>Range of Data (mb)</b>	<b>Monthly Avg</b>	<b>Percent of Total</b>
0	646	21.24%
1-100	1,009	33.15%
101-500	172	5.64%
501-1,000	189	6.20%
1,001 or more	1,028	33.77%