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October 2, 2012

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

16 October 2, 2012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

APPROVAL AND ADOPTION OF BOARD POLICY 3.160 COUNTY CELLULAR TELEPHONES AND OTHER WIRELESS DATA DEVICES USAGE POLICY (ALL DISTRICTS) (3 VOTES)

SUBJECT

Proposed Board Policy to establish uniform rules across all County departments regarding the acquisition and usage of County-provided cellular telephones and other wireless data devices.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and adopt Board Policy 3.160 – County Cellular Telephones and Other Wireless Data Devices Usage Policy, as approved by the Audit Committee on July 19, 2012, to establish uniform rules across all County departments regarding the acquisition and usage of County-provided cellular telephones and other wireless data devices.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On January 4, 2011, on motion of Supervisors Antonovich and Molina, the Board directed the Chief Executive Officer, Auditor-Controller and the Director of Internal Services to develop and implement a uniform countywide policy for adherence by all County departments, to ensure that proper controls are in place for the issuance and

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use of County cellular telephones and other wireless data devices. The attached recommended Board Policy (Attachment I), as well as associated County Fiscal Manual sections to be modified by the Auditor-Controller (Attachment II), were reviewed and approved by the Audit Committee on July 19, 2012.

The recommended Policy, in conjunction with internal controls procedures contained in the County Fiscal Manual, would create consistent County-issued cellular device procedures in the areas of equipment assignment and acquisition, appropriate usage, device security, plan and feature selection, inventory tracking, annual certification and plan evaluation, monthly administrative review of carrier statements, and reimbursement by employee for personal use.

Implementation of Strategic Plan Goals

The adoption of a countywide policy on the usage and control of County-provided cellular telephone and other wireless data devices supports the County's Strategic Plan Goal 1 of Operational Effectiveness and Goal 2 of Fiscal Sustainability. The establishment of fiscal and operational policy will ensure that departments follow consistent procedures in the issuance, appropriate use, and monitoring of County-issued cellular equipment and associated charges, reducing overall costs and minimizing possible waste and abuse.

FISCAL IMPACT/FINANCING

Adherence to the recommended Board Policy will result in County cost savings due to reduced equipment expenses through County master agreements, as well as lower monthly charges via selection of cost-effective pricing plans, elimination of unnecessary features, and regular monitoring of employee usage.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In 2010, the Auditor-Controller issued an audit report that found weaknesses in controls over cellular telephones and mobile data cards at a County department. Specifically, the Auditor-Controller reported that the department did not maintain accurate cellular telephone inventory and assignment records, paid service charges for devices that were not used or assigned to staff, and paid fees for features and services that were not used by employees. The Auditor-Controller also identified instances where the department paid for long distance calls, text messages and directory assistance calls that did not appear to be work-related, and the department did not follow fiscal policies, procedures, and internal controls related to cellular telephones as outlined in the County Fiscal Manual.

The findings indicated a lack of oversight over cellular telephone issuance and usage, and actions were needed to ensure that public funds are not wasted on unnecessary equipment and services, and inappropriate personal use of County cellular telephones are identified and minimized.

A working group was established in 2011 consisting of representatives from the Auditor-Controller, Internal Services Department, and Chief Executive Office to assess existing policies, guidelines, and practices across County departments on the issuance and monitoring of County-issued cellular telephones and other mobile data devices. The working group subsequently developed the Board Policy and associated County Fiscal Manual modifications to address the shortcomings revealed by the audit report, and upon the Board's adoption, will be immediately implemented countywide.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended policy establishes uniform rules on cellular telephone acquisition and usage management across County departments, and does not impede or unreasonably limit the usage of cellular telephones to conduct County business. Most departments are already following the procedures being recommended and, therefore, no impact on current services is anticipated.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:EFS
MKZ:FC:ib

Attachments (2)

c: Executive Office, Board of Supervisors
Auditor Controller
Chief Information Office
County Counsel



Los Angeles County
BOARD OF SUPERVISORS POLICY MANUAL

Policy #:	Title:	Effective Date:
0.000	County Cellular Telephones and Other Wireless Data Devices Usage Policy	00/00/00

PURPOSE

The purpose of this policy is to provide uniform rules across all County departments, regarding the acquisition and usage of County cellular telephones and other wireless data devices. The Policy addresses who may be issued a County cellular telephone or other wireless data device, when it may be used, management responsibilities to monitor and check usage and cost, and reimbursement for personal use. This policy applies to both handheld portable and vehicle-installed units.

REFERENCE

January 4, 2011: Board Order 3
 January 6, 2011: Chief Executive Office Memo "Cell Phone and Data Card Use"
 February 4, 2011: Chief Executive Office Memo "Cellular Phone Usage – Status Report"
 County Fiscal Manual Section 4.7.0

POLICY

Cellular telephones and other wireless data devices (such as pagers, mobile hot spots, air cards, etc.) issued and paid for by the County must be assigned based on operational need and not employee level. The department head or his/her designee must limit assignment of such devices to circumstances in which the employee's use of a non-cellular telephone or other form of communication is inadequate to meet departmental needs. Examples of such circumstances include a frequent, urgent need to contact the employee, a finding that employees can more efficiently and productively complete their duties by using a cellular telephone or other wireless data device, or circumstances where an employee's personal safety may be at risk if the employee does not have a cellular telephone. The use of County issued cellular telephones and other wireless data devices is to be minimized, and conventional communication means are to be used when practical and more cost-effective. County-issued devices should primarily be used for County business purposes, and department management must follow the internal controls contained in the County Fiscal Manual to monitor and regulate the usage and cost associated with County issued cellular telephones and other wireless data devices.

If additional costs are incurred due to personal use of County issued devices, department's administrative staff shall notify management, and the employee shall reimburse the County for such additional costs. County employees must follow all laws and regulations regarding the use of County issued cellular telephones and other wireless data devices. Annually, the department head or his/her designee must certify that the cellular telephone and other wireless data device assignments are individually justified and approved by an appropriate level of department management.

Applicability

This policy applies to users of County-provided cellular telephones and other wireless data devices.

Definition(s)

Cellular telephones are defined as any handheld, portable, or vehicle-mounted, two-way communication device in which there is a per-minute, per-message, and/or a monthly service charge for usage.

Other wireless data devices are defined as any portable data device (e.g., data card, air card, mobile hot spot) in a laptop computer, or free-standing, that provides two-way data communication in which there is a per-minute, per-message, and/or a monthly service charge for usage.

Internal Controls

The requirements for departmental internal controls over the use of County-issued cellular telephones and other wireless data devices are included in the County Fiscal Manual. Departments are required to ensure that employees with County-issued cellular telephones or other wireless data devices comply with those controls.

RESPONSIBLE DEPARTMENT

Chief Executive Office

Auditor-Controller

Internal Services Department

DATE ISSUED/SUNSET DATE

Issue Date: October XX, XXXX

Sunset Date: October XX, XXXX

COUNTY FISCAL MANUAL

Section 4.7.0

4.7.0 CELLULAR TELEPHONES AND OTHER WIRELESS DATA DEVICES USAGE POLICY

4.7.1 Description of Cellular Telephones and Other Wireless Data Devices Usage Policy

The usage policy for the County's cellular telephones and other wireless data devices addresses: who may have a County cellular telephone or other wireless data device; when it may be used; management responsibilities to monitor and check usage and cost; and reimbursement for personal usage. This policy applies to handheld portable and vehicle installed cellular telephones, as well as other wireless data devices.

Cellular telephones and other wireless data devices (such as pagers, mobile hot spots, air cards, etc.) issued and paid for by the County must be assigned based on operational need and not employee level. The department head or his/her designee must limit assignment of such devices to circumstances in which the employee's use of a non-cellular telephone or other form of communication is inadequate to meet departmental needs. Examples of such circumstances include a frequent, urgent need to contact the employee, a finding that employees can more efficiently and productively complete their duties by using a cellular telephone or other wireless data device, or circumstances where an employee's personal safety may be at risk if the employee does not have a cellular telephone. The use of County-issued cellular telephones and other wireless data devices is to be minimized, and conventional communication means are to be used when practical and more cost effective. Department management must control County-issued cellular telephones and other wireless data devices usage and cost through monthly bill reviews and annual needs evaluation. Personal usage made by employees from County-issued cellular telephones or other wireless data devices may require reimbursement as referenced below in Section 4.7.3.

4.7.2 Internal Controls Over Cellular Telephones and Other Wireless Data Devices

The County standard for departmental internal controls over the use of County-issued cellular telephones and other wireless data devices is as follows:

4.7.2.1 Selection and Approval

- Costs for cellular telephones and other wireless data devices are to be monitored and controlled as part of each department's operating budget.

- Services for cellular telephones and other wireless data devices are to be acquired at rates available through County master agreements negotiated by the Internal Services Department.
- Departments should choose the most cost-effective pricing plan for the employee. Unnecessary cost features (such as international calling, and downloads of recreational programs) should be disabled to prevent accidental charges.
- Assignments for cellular telephones and other wireless data devices are to be individually justified and approved by an appropriate level of departmental management.
- Pricing plan selection should be determined solely based on anticipated minutes/data usage for business purpose and assume zero personal use by employee.
- Multiple use or pool phones must be controlled by a specific individual assigned responsibility for controlling use of each pool phone, through a) logging use by each individual with access to the phone and/or b) utilization of electronic coding of caller and calls such as in "Call Accounting" programs, when available from the service provider.

4.7.2.2 Monitoring and Reporting

- The department head or his/her designee must, at least annually, re-evaluate individual cellular telephone and other wireless data device assignments to certify continued need. This evaluation should also include a review of the pricing plan to ensure the most cost-effective plan continues to be used. For example, the department should not be paying for a plan that offers 2,000 anytime minutes a month if the employee does not use more than 500 minutes a month on County business, and vice versa.
- A detailed departmental inventory of cellular telephones and other wireless data devices must be maintained at all times for each device which includes at a minimum: identification code (e.g., serial number), state of activation, service provider, plan type, account number, user assignment, user identification number, and assignment location.
- Cellular telephone and other wireless data device bills and usage must be reviewed by administrative staff, or distributed through immediate supervisors to users within one month of receipt.
- Any bill that exceeds plan rates must be reviewed by individual users to verify that the charges are correct and identify any personal usage/calls. Using the guidelines in Section 4.7.3 below, employees must reimburse the County for the

cost of all reimbursable personal usage/calls within 30 days of bill receipt. Recurring patterns of excessive personal usage should be documented and may result in disciplinary action.

- Department management must review verified bills to ensure that usage is appropriate and the cost of personal usage is being reimbursed, if required under Section 4.7.3. The appropriate level of management must review all cellular telephone and other wireless data device bills over a normal usage amount as determined by the department head.
- Inappropriate call patterns that may indicate misuse of the device by unauthorized individuals ("cloning" or stolen numbers) must be reported to the service provider.
- Security measures available through service providers must be considered as a means of additional protection. For example, electronic coding of devices to prevent use unless a personal identification number (PIN) is entered by the user.
- Departments must establish internal controls to ensure that departmental/County policies for use of cellular telephones and other wireless data devices are followed.
- Departments must maintain documentation of cellular telephone and other wireless data device expenditures consistent with Auditor-Controller expenditure control guidelines contained in Section 4.1.3.
- Departments may maintain a reasonable number of unassigned activated cellular telephones for use only in emergencies with appropriate security controls to prevent misuse.

4.7.3 Reimbursement Policy

County-issued cellular telephones and other wireless data devices should primarily be used for County business purposes. If an employee does use his/her County-issued device(s) for personal purposes, and that usage results in additional charges to the County, the employee must reimburse the department for the actual cost incurred over the base plan.

- Flat Rate Plans - Flat rate plans charge a specified per-minute rate for all calls made from a cellular telephone. Per minute charges begin with the first minute used. Employees will reimburse the County for each personal call at the per-minute rate specified in the cellular telephone service agreement.
- Anytime Minutes Plans - Anytime Minutes Plans provide cellular telephone users with a specified number of minutes for a fixed monthly fee. The cellular telephone service provider bills each minute used above the specific number of minutes in

the Plan at a predetermined, per-minute rate. Under this Plan, employees are required to reimburse the County for personal calls only if the employee used more than the specified number of minutes in the Plan. If the employee used more than the specified number of minutes in the Plan, the employee must reimburse the County for the lesser of 1) all personal calls or 2) all additional minutes.

- **Shared/Pooled Plans** - For departments using shared/pooled minute plans, usage must be routinely analyzed to determine the appropriate number of minutes for each department's plan. The nature of these plans makes it difficult to establish equitable reimbursement guidelines for excess usage. Therefore, departments must ensure they actively monitor individual usage under these plans.
- **Data Plans** - Data plans provide users with a specified amount of data for a fixed monthly fee. The data service provider bills usage above the specific amount of data in the Plan at a predetermined, per-byte rate. Under this Plan, employees are required to reimburse the County for personal use only if the employee used more than the specified amount of data in the Plan due to personal use.

Note: If a Plan includes roaming charges, they are generally in addition to the base rate. Departments must ensure that all roaming charges related to a user's personal calls are identified and reimbursed by the employee.

The following is an example of reimbursement under an Anytime Minutes Plan:

Facts: Based on an analysis of the employee's cellular telephone needs, Department A assigned a cellular telephone with a 500 Anytime Minutes Plan to the employee. The fixed monthly fee is \$45 and the provider bills each additional minute used at 30 cents per minute.	
Minutes Used	Reimbursable Amount
The employee utilized 450 minutes in a monthly period.	No reimbursement is necessary because the number of minutes used (450) is less than the number of minutes in the plan.
The employee utilized 550 minutes in a monthly period. As the employee used 50 more minutes than included in the plan, the Department requires the employee to review the bill and identify personal calls. The employee reviewed the bill and identified 80 minutes of personal calls and 470 minutes of County-business calls.	The employee utilized 50 more minutes than were in the plan, which is less than the 80 minutes of personal calls he or she identified. Therefore, the employee reimburses the lesser amount of 50 minutes, at 30 cents per minute, or \$15.

<p>The employee utilized 550 minutes in a monthly period. As the employee used 50 more minutes than included in the plan, the Department requires the employee to review the bills and identify personal calls. The employee reviewed the bill and identified 40 minutes of personal calls and 510 minutes of County-business calls.</p>	<p>The employee utilized 50 more minutes than were in the plan, which is greater than the 40 minutes of personal calls he or she identified. Therefore, the employee reimburses the lesser amount of 40 minutes, at 30 cents per minute, or \$12.</p>
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Departments should consider assignment of a County cellular telephone or other wireless data device to an employee only when expected usage warrants. If usage is expected to be low, employees may use personal cell phones and receive reimbursement from their departments at a pre-determined rate.