

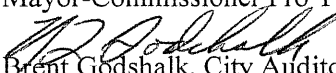
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*City of*  
*Gainesville*

*Inter-Office Communication*

June 6, 2005

**TO:** Audit and Finance Committee  
Mayor Pegeen Hanrahan, Chair  
Mayor-Commissioner Pro Tem Chuck Chestnut, Member

**FROM:**   
Brent Godshalk, City Auditor

**SUBJECT:** Review of General Government Cellular Telephones

**Recommendation**

The Audit and Finance Committee recommend that the City Commission:

- 1) Accept the City Auditor's report and the Interim City Manager's response; and
- 2) Instruct the City Auditor to conduct a follow-up review on recommendations made and report the results to the Audit and Finance Committee.

**Explanation**

In accordance with our FY 2005 Annual Audit Plan, we have completed a review of General Government Cellular Telephones. Our report and the Interim City Manager's response are attached.

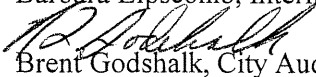
We request that the Committee recommend the City Commission accept our report and the Interim City Manager's response. Also, in accordance with City Commission Resolution 970187, Section 10, Responsibilities for Follow-up on Audits, we request that the Committee recommend the City Commission instruct the City Auditor to conduct a follow-up review on recommendations made and report the results to the Audit and Finance Committee.

84020

City of  
Gainesville

Inter-Office Communication

March 30, 2005

TO: Barbara Lipscomb, Interim City Manager  
FROM:   
Brent Godshalk, City Auditor  
SUBJECT: Review of General Government Cellular Telephones

On November 8, 2004, the City Commission approved the City Auditor's Annual Audit Plan, which included a review of General Government Cellular Telephones. During our review, we conducted interviews with key staff, reviewed phone records and other information and tested management controls. We have completed our review and the attached report indicates where further efforts are needed to strengthen management controls.

In accordance with Commission Resolution R970187, Section 9, please submit your written response to the recommendations presented in the attached report within 30 days and indicate an actual or expected date of implementation. Our final report, which will include your written response, will then be submitted to the City Commission's Audit and Finance Committee for review and approval.

We would like to thank Purchasing Manager Aleta Cozart, Finance Director Mark Benton and their staff for the courteous and cooperative treatment afforded us during our review and to acknowledge their efforts in coordinating the General Government cell phone contract into a centralized environment. We also appreciate the cooperation extended to us during the project by the various operating departments. Our recommendations for improving procedures and controls have been reviewed with Finance Director Mark Benton and Purchasing Manager Aleta Cozart. Please let me know if you have any comments or questions.

cc: Glenda Currie, Administrative Services Director  
Mark Benton, Finance Director  
Aleta Cozart, Purchasing Manager

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# REVIEW OF GENERAL GOVERNMENT CELLULAR TELEPHONES

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## OBJECTIVES, SCOPE AND METHODOLOGY

In accordance with our Fiscal Year 2005 Annual Audit Plan, the City Auditor's Office has completed an audit of General Government Cellular Telephones. The primary focus of this review was to provide the City Commission with reasonable assurance on the adequacy of the system of management control in effect over cellular telephones. Management controls include the processes for planning, organizing, directing and controlling program operations, including systems for measuring, reporting and monitoring program performance. Management is responsible for establishing and maintaining effective controls that, in general, include the plan of organization, methods and procedures to ensure that goals are met. Specific audit objectives included evaluating the policies, procedures and internal controls related to cell phones and determining whether phone charges were for business purposes and in compliance with City policies and procedures.

Our review was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and accordingly included such tests of records and other auditing procedures as we considered necessary under the circumstances. Our procedures included interviewing staff, reviewing procedures, analyzing phone records and other information and testing internal controls as needed to assess compliance with City policies and procedures. Our sampling methods for testing included data extraction techniques for identifying patterns of activity with predetermined characteristics, such as minutes in excess of 2,000 for a month. To determine personal use, bills were reviewed in detail and recurring calls to the same number and calls of unusual times or duration were reviewed with employees to determine whether numbers called were business or personal. The scope of our review was for cell phone usage during the fiscal year ended September 30, 2004. Our review did not include other communication devices such as mobile radios, portable radios or pagers.

The results of our review resulted in several recommendations for improvement that require further action by management. The issues are discussed in the following sections of our report along with management's written response.

## BACKGROUND INFORMATION

Cellular telephone technology has changed how the City of Gainesville conducts business. The use of cell phones allows City employees to be more responsive to the citizens they serve. Employees on-call 24 hours a day, seven days a week are easily reached during emergencies and contractors or residents can contact inspectors in the field. However, cell phones can be costly and at risk for misuse. Administrative controls are therefore required to ensure that cell phones are issued based on a demonstrated business need and ensure that the equipment is used in a professional manner.

The use of cell phones by City employees has increased over the years as the technology has proven to be an effective and convenient communication tool. The number of cell phones issued increased significantly during FY 2004 from 244 phones in September 2003 to 349 phones by September 2004. **Table 1** on the following page shows the distribution of the 349 cell phones issued to General Government employees over 23 operating areas in the September 2004 billing period.

**TABLE 1**  
**Cell Phones Assigned by Department**  
**September 2004**

Department	Total Phones Assigned
Police	99
Fire Rescue	42
Traffic Operations	28
Recreation Administration	25
Computer Services	20
Parks	20
Public Works Administration	20
Facilities Management	18
Code Enforcement	15
Building Inspections	12
Nature Operations	12
Regional Transit System	8
Solid Waste	7
Cultural Affairs	4
Purchasing	4
Public Works Operations	4
Ironwood	3
Fleet Management	2
Stormwater Services	2
City Attorney's Office	1
Community Redevelopment Agency	1
Economic Development	1
Housing	1
<b>TOTALS</b>	<b>349</b>

Centralized Purchasing and Shared Rate Plan

Effective October 1, 2003, Alltel was selected as the primary provider of cell phone service for General Government as a result of a competitive bid process. The Alltel rate plan provides a pool of shared minutes with no roaming or long distance charges statewide, as well as free mobile-to-mobile calling and most-often-called number. The initial contract is for two years, with options to extend for up to three additional years. A centralized bid process was used in order to standardize equipment and obtain the most economical use of City wireless services, as opposed to the various departments procuring individual rate plans.

The contract for cell phone services is coordinated in the Finance Department by the Purchasing Division. Purchasing is the central point of contact and maintains a citywide cell phone inventory based on the centralized billing process. Purchasing receives itemized billings, performs a cursory review of the statements and distributes copies of the billings to the user departments for a more detailed review and final approval.

## Administrative Guidelines

Administrative Procedure No. 12, Cellular Telephone Equipment, provides the following specific guidance for General Government departments and employees:

- Requests for a cell phone must be justified. Justification is generally based on emergency response duties; communication requirements that cannot be satisfied by normal telephone or radio communication systems; or increased efficiency in department operations.
- Department directors have prime responsibility for control. Department directors are responsible for requesting equipment assignments, approving cell phone bills, reviewing cell phone usage by department employees and taking disciplinary action if necessary.
- Personal use is limited. Cell phones are intended to be used to facilitate official City business. Occasionally employees may have *de minimis*<sup>1</sup> personal use of cell phones, which is defined as emergencies with no other telephone available.
- Personal calls must be reimbursed. Employees must reimburse the City on a monthly basis for any personal use of cell phones, including any taxes related to personal calls.
- Employees are responsible for loss/theft. Employees are responsible for safeguarding assigned cell phones. Employees are responsible for replacements if determined that negligence occurred or if an employee loses the equipment.

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<sup>1</sup> The IRS allows employees to be provided a *de minimis* benefit that can be excluded from an employee's wages (i.e., nontaxable income) if the benefit has such little value that accounting for it would be unreasonable or administratively impracticable. One example cited in IRS Publication 15-B is occasional personal use of a company copy machine as long as use is sufficiently controlled so that "at least 85% of its use is for business purposes." The tax provision requires the employer to consider how frequently similar benefits are provided to employees (e.g., an occasional versus an ongoing benefit).

## ISSUE 1

### Shared Plan Administration Should Be Improved

#### Discussion

The City's Purchasing Division administers and coordinates the Alltel contract. The role of Purchasing is to provide service and guidance to operating departments. Responsibilities include:

- Rate plan analysis
- Procurement process coordination
- Facilitating procedural guidance on rules and regulations
- Administering cell phone policy
- Maintaining authorization forms and a citywide cell phone inventory
- Serving as a centralized point to receive, process and pay monthly bills
- Conducting analysis of billing statements for rate and equipment charges
- Distributing copies of bills to user departments for more detailed review and final approval

We believe that establishing a centralized cell phone plan was a beneficial initiative and that the Purchasing Division accomplished much in coordinating departmental needs and implementing procedures in FY 2004. However, we believe that the Purchasing Division can make further refinements in administering the contract. The results of our testing indicate several areas where controls over the administration of the contract can be improved to lower costs, enhance efficiency and increase effectiveness. The following highlights three areas where improvements are needed in cell phone contract administration:

#### *Optimization of Pooled Minutes*

The Alltel rate plan is a pool of shared minutes and offers several features such as free mobile-to-mobile calling and no long distance charges statewide. Under the shared plan concept, the City buys an agreed upon pool of minutes at a guaranteed rate to be shared by all phones in the rate plan. Once the pooled minutes are used, another tier of "overage" rates applies. The pool is the minimum, or base amount, of the contract and paid whether or not all minutes are used. If determined that more base plan minutes are needed, the contract provides for purchases of additional increments of 5,000 minutes. More detailed features of the Alltel plan are as follows:

- Pool minutes cost \$.0625 per minute
- Minutes in excess of the pool cost \$.20 per minute
- Up to 1,000 minutes of mobile-to-mobile calls per phone do not count against the pool
- All calls to the most-often-called number do not count against the pool
- Additional increments of 5,000 minutes can be purchased for \$.0625 per minute

The initial purchase in October 2003 established the pool at 45,000 minutes at the base rate of \$.0625, or \$2,800 per month. However, the City exceeded the pool limit each month during FY 2004 and incurred overage charges at \$.20 per minute. City cell phone expenditures for FY 2004 were approximately \$89,300, including equipment, or an average of \$7,400 per month. Total airtime used was approximately 857,000 minutes, an average of 71,400 minutes per month, including mobile-to-mobile and most-often-called minutes. The current pool is currently set at 60,000 minutes for a base price of \$3,750.

Objectives of administering the contract include minimizing costs by ensuring the pool is large enough to capture most calls at the lower rate of \$.0625, avoiding overage charges, having employees maximize the “free” mobile-to-mobile and most-often-called features and minimizing personal use. In FY 2004, Purchasing was primarily involved in acquisition and procedural issues. In the upcoming year, Purchasing can better utilize resources by developing a system for actively managing the Alltel account.

Optimizing plan options and managing cell phone costs will require periodic comparison of telephone usage and further discussion with department managers about operational needs. Historical and expected use of phones should be reviewed and the most economical rate plan selected. Discussions with management indicate that Purchasing is ready to initiate a more comprehensive system of monitoring and controlling cell phone costs.

#### *Reimbursement Rate Needs Review*

Although personal use is to be minimized, administrative procedures recognize that personal use may occur and require employees to reimburse the City on a monthly basis for personal use of cell phones, including long distance charges and any related taxes. Purchasing calculates a monthly reimbursement rate by taking billing information and making certain adjustments. However, we believe efforts placed on deriving this calculation are inefficient and produce a rate that does not sufficiently recover full costs from employees. In testing reimbursements, we noted that the per minute reimbursement rate is usually less than the \$.0625 pooled rate, a 12.42% local communication services “tax” is charged but is not accounted for as such, and that employees are not charged any indirect costs or administrative fees. For FY 2004, the actual cost for cell phones averaged approximately \$.10 per minute, including equipment charges. The average reimbursement rate charged to employees was less than \$.04 per minute.

The cost of providing cell phones includes direct costs such as monthly airtime fees and equipment charges as well as indirect costs related to administering cell phone expenditures. Since the City’s plan is a shared pool plan with various rates and features, calculating an exact rate to apply to every circumstance is difficult. For instance, each phone gets 1,000 “free” mobile-to-mobile minutes, so if an employee’s personal call is to a mobile phone in the Alltel network, the pool is not depleted and no per minute charge occurs unless the 1,000 minute limit was exceeded. The employee could argue there is no cost and make no reimbursement. The actual cost per minute of personal calls can be \$.0625 or \$.20 per minute depending on whether drawn from the pool or not.

The reimbursement rate for calls that do not have a public purpose should be one that is fair and reasonable and takes into account the features the City’s plan offers. Our research indicates that other organizations’ methods for calculating reimbursements vary and may include:

- Reimbursement in accordance with the plan’s per-minute rate
- A flat rate per minute rate that is not specifically linked to the phone plan but stated in the policy
- Reimbursement based on the ratio of personal calls to business calls
- Reimbursement required at the excess-minute rate if the monthly allotment was exceeded

#### *Reduction in the Underutilization of Phones*

Our review disclosed numerous departments with underutilized phones as evidenced by zero airtime minutes. During FY 2004 the number of phones with zero minutes ranged from 33 to 102 each month. **Table 2** on the following page provides a distribution by department of phones with zero minutes for the last three months of FY 2004 and compares the number of underutilized lines to the total number of lines.



**TABLE 2**  
**Underutilization of Phones by Department**  
**July 2004 - September 2004**

	<b>July 2004</b>	<b>Aug 2004</b>	<b>Sept 2004</b>
Total Number of Lines	349	348	349
Lines with 0 Minutes	97	87	76
% Of Phones Underutilized	<b>27.8%</b>	<b>25.0%</b>	<b>21.8%</b>
<b>Department</b>			
Building Inspections	1	0	0
City Attorney	1	1	0
City Commission	1	0	0
Code Enforcement	2	1	2
Computer Services	8	6	6
Fire Rescue	20	21	19
Fleet Management	1	0	0
Purchasing	4	4	4
Police	31	30	23
Public Works Administration	2	3	2
Public Works Operations	1	0	0
Stormwater Services	1	1	0
Traffic Operations	11	11	6
Solid Waste	2	0	0
Ironwood	2	2	2
Parks	1	0	0
Recreation Administration	7	6	11
Regional Transit System	1	1	1
<b>Total Lines with 0 Minutes</b>	<b>97</b>	<b>87</b>	<b>76</b>

We recognize that some departments may experience seasonal periods of activity, such as Recreation and Parks, or may prefer to have phones on hand for emergency purposes, such as Fire Rescue and Police. However, the billing period for September 2004 includes activity for two of the three hurricanes that swept through our area, Hurricane Charley and Hurricane Frances, and it appears sufficient phones were still on hand. Although the carrying cost of such phones is not excessive, the need for so many units is unclear. Obsolescence of equipment is also a consideration. Efforts should be made to reevaluate the need and explore if other options are available.

**Conclusion**

The acquisition of communication services is challenging as technologies continually change. Purchasing has a role through the bid process in balancing departmental needs for communication services at a reasonable cost. Although Purchasing was successful in implementing a shared plan for cell phone services, we believe that improvements in contract administration can further enhance the overall effectiveness of the program and reduce costs.

## **Recommendation**

We recommend that management improve administrative controls and develop procedures for a system of monitoring the current cell phone contract to ensure at a minimum that:

- 1) Pool minutes are appropriately set to optimize shared minutes and minimize overage charges;
- 2) Reimbursements of personal use adequately cover full costs; and
- 3) Underutilized phones are reduced.

## **Management's Response**

- 1) Management agrees with the recommendation to optimize shared minutes and minimize overage charges. Management is currently reviewing prior fiscal year billings to determine optimum pool minutes. Controlling for the spike in the minutes associated with the hurricanes of last year, the initial pool minutes of 45,000 would have been the optimum pool level. We are working with Alltel to examine the flexibility of adjusting the pool level seasonally.
- 2) Management concurs that reimbursement rates for personal calls should be reviewed. Both for ease of administration as well as adequately covering costs; we will utilize the prior fiscal year actual per minute cost, including equipment charges.
- 3) Management recognizes that there are a number of cell phones that have zero minutes. As part of our relationship with Alltel they supplied the City with 55 emergency phones. There was no acquisition charge for these phones, and usage charges are only incurred if phones are activated during an emergency. Management will periodically evaluate the number of phones required for such purposes.

## ISSUE 2

### Internal Controls Should Be Strengthened To Ensure Compliance with City Policies and Procedures

#### Discussion

The City's Purchasing Division administers the Alltel contract and is the central point for receiving and paying the monthly bill for General Government departments. However, each operating department is responsible for ensuring that individual phone charges are appropriate and comply with City policies and procedures. Operating departments are provided copies of individual phone bills for review and final approval. Phone bills are routed from Purchasing to staff assistants designated as departmental liaisons. The paper flow continues from the staff assistant to each cell phone user who conducts a "self-audit", reconciles business calls and calculates personal charges, if any. During the interim, Finance processes the payment to Alltel as billed pending notification from a department of any billing errors. Accounting Division staff post expenditures to each departmental account in the general ledger.

The results of our testing indicate several areas where internal control needs strengthening to ensure compliance with City policies and procedures. We believe the primary weakness is a general lack of supervisory oversight and final approval at the departmental level. The paper flow process is not always timely and seems concentrated more between the staff assistant and phone user rather than in management and oversight efforts. In many cases, paperwork is filed and payment processed without any documented supervisory approval. The following highlights several internal control weaknesses we noted over cell phone use:

#### *Excessive Personal Use*

Administrative procedures indicate that City cell phones are "to be used to facilitate the conduct of official City business" and that "occasionally employees may have de minimis personal use." Situations where employees need to communicate work schedule changes are considered business use. We observed many instances where employee personal use seemed excessive, with instances of non-work related late night or weekend calls observed and hundreds of personal minutes incurred per month. The base rate of City pooled minutes is not intended for such high personal use and excessive use can be indicative of possible abuse. Rules for employee personal use need to be reinforced and employee personal use limited. IRS regulations require that personal calls above a de minimis amount be included as taxable wages and require strict substantiation requirements.

#### *Low Compliance and Inadequate Reconciliation of Personal Calls*

Employees are required to maintain records and reimburse the City monthly for any personal use. However, low compliance was observed and many examples were noted of employees not adequately reconciling, claiming and reimbursing the City for personal phone calls.

#### *High Cost of Overage Minutes, Long Distance, Directory Assistance, etc.*

The City's current contract with Alltel includes features such as 1,000 mobile-to-mobile minutes per phone, no Florida roaming charges and pooled minutes costing \$.0625 per minute. However, overage minutes (minutes in excess of the pooled minutes) are charged at \$.20 per minute and roaming charges are \$.59 per minute when traveling outside Florida. We noted that overage charges of \$.20 per minute occurred each month during fiscal year 2004 as pooled minutes were exceeded. We also noted out-of-

state calls costing as much as \$1.00 per minute. For instance, an employee traveling on City business out of Florida incurred \$91 in long distance charges (\$67 claimed as business and \$24 personal). One call to the office for 40 minutes was \$40.00 and checking voicemail cost \$1.00. Efforts are needed to ensure that employees use cell phones when it is the most economical means of communication.

#### *Insufficient Documentation of Employee Review and Supervisory Approval*

Although guidance exists on calculating reimbursement of personal minutes, no standard worksheet is provided. Several departments with large numbers of cell phones have developed forms and worksheets for their departmental employees, however most forms lack areas for an employee to certify compliance with policies and for the supervisor to acknowledge review and approval. Administrative procedures indicate that "cellular telephone bills shall be approved by the department head or designee." Department managers are responsible for ensuring that staff understand and comply with policies and procedures and for monitoring phone activity to prevent and detect non-compliance. Evidence of employee and supervisor review is inconsistent and better documentation is needed to ensure both employee compliance and supervisory approval.

#### *Monthly Statements Not Timely Processed*

Significant delays in the routing of cell phone bills occurs and is a contributing factor to the internal control weaknesses over cell phones. As discussed further in Issue #3, the phone bill for the 349 General Government cell phones is large and not electronically formatted. Delays in copying and forwarding occur at several points in the cycle and phone users may not see their phone bill for several months. Timelier processing of the phone bills is needed.

### **Conclusion**

Cell phone users are not adequately complying with approved policies and procedures, supervisory review is inconsistent and the overall process for administering cell phone expenses needs to be improved.

### **Recommendation**

We recommend management take steps to improve internal controls and compliance with existing policies and procedures related to cell phones to include at a minimum:

- 1) Improving the timeliness of the billing review process;
- 2) Requiring cell phone users upon receipt of a phone to document they have read the City's policy statement, understand the restrictions and reimbursement requirements for personal use of the phone and accept responsibility for repair or replacement costs for damage or loss that may occur through negligence;
- 3) Requiring cell phone users to certify compliance with City cell phone policies and procedures on monthly billing statements prior to obtaining final supervisory approval for billings and reimbursements;
- 4) Requiring department managers to review and approve cell phone billings and reimbursements for personal use within their department;
- 5) Providing guidance to employees to ensure cell phones usage is economical and used as a secondary means of communication when possible; and
- 6) Periodically communicating information to cell phone users and managers regarding proper cell phone usage, policies and procedures, etc.

### **Management's Response**

Management agrees with the recommendations provided in the audit report with the exception of recommendation number 3. Purchasing will work with departments to assist them in developing and improving internal controls. Purchasing will be acquiring from Alltel pursuant to contract requirements, Alltel E-Care an interactive system which will assist departments and Purchasing in processing billing reviews.

In the case of recommendation number 3, given that cell phone users will have documented their agreement with and understanding of cell phone policies and procedures prior to receipt of their phone as outlined in recommendation number 2, management sees little incremental value in reaffirming this understanding on each monthly bill.

## ISSUE 3

### **Vendor Should Provide Electronic Access in Accordance with Contract To Improve Overall Efficiency and Effectiveness of Cell Phone Processing**

#### **Discussion**

We believe opportunities exist to increase efficiency and streamline the cell phone process by obtaining electronic access to cell phone data. Currently, the City's Purchasing Division administers the Alltel contract and establishes the overall pool of minutes. However, cell phone activity is summarized, reconciled, monitored and recorded manually, and as previously discussed, delays in processing the paperwork are sometimes several months.

The current cell phone contract stipulates that Alltel will provide the City access to their automated billing system where minutes of use can be checked throughout the month prior to receiving the paper bill. However, Alltel has not yet provided that access to the City. The current system is based on monthly paper copies of the approximate 600-page bill for City cell phones. The process is labor intensive for both Purchasing and the operational departments as much time is spent copying and distributing the phone bills, which detracts from placing efforts into proactively monitoring costs.

During our review, discussions with Alltel took place, and a commitment was made to provide online access by May 2005. Access to electronic or online billing would provide opportunities to view and analyze phone information, improve efficiency and lower administrative costs. Electronic transmission or online access of the data would provide the following benefits:

- 1) Efficient Administration and Reconciliation
  - Finance staff, as contract administrators, could perform enhanced reviews of data at the macro level to better manage the pooled minutes or look for cost saving measures;
  - Information flowing to operating departments for review and approval could be improved; and
  - The process for Accounting to summarize data and prepare journal entries for posting to the general ledger could be streamlined.
- 2) Enhanced Oversight by Operational Managers and Supervisors
  - Improved operating departmental review, monitoring and compliance
- 3) Improved Compliance
  - Employees would have more timely access to cell phone activity for proper review

#### **Conclusion**

There is a need to establish more effective processing, increase efficiency and save costs by requiring the vendor to provide electronic or online access to billing information in accordance with the terms of the existing contract.

## **Recommendation**

We recommend that management:

- 1) Ensure the completion of implementing access to the online billing system offered by Alltel to streamline the processing of cell phone bills; and
- 2) Implement improved procedures and a monitoring program based on the new level of access.

## **Management's Response**

Management agrees with these two recommendations. Purchasing has been working closely to obtain the Alltel E-Care system as soon as it becomes available. It is our understanding that this system should be available to us by July 2005.

## ISSUE 4

### Safety Guidelines Should Be Established Regarding Cell Phone Use While Driving

#### Discussion

Currently, there is no written guidance regarding the safe use of cell phones while driving City vehicles. In recent years, it has become increasingly important for employers to establish a policy on cell phone usage, as liability in this area seems to be increasing.

Our research indicates that employers can be liable for problems created by their employee's use of cell phones while driving or otherwise working for the employer. Even if employees are not officially on company business, employers can still be held liable if an accident involves a cell phone provided or permitted by the employer. Employer liability involving the use of cell phones includes:

- Accidents or other problems created by an employee's use of cell phones while driving if a company provides the phones, or if cell phone use is a necessary or encouraged option as part of their job.
- Liability incurred whether or not the call is personal or business related.
- Risks of claims by third persons holding the employer responsible for the harm caused by its employee if that employee was acting within the course and scope of his or her employment at the time the accident occurred.
- Risk of claims by employees holding the employer negligent for encouraging or permitting the use of cell phones for business without adequate training or consideration of safety issues.

Even though there is no guaranteed defense to liability in any situation, research suggests that an employer with a strong cell phone policy will be in a far better legal position than an employer without a policy. The following highlights some best practice elements of cell phone policies:

- Requiring employees sign an acknowledgment that cell phones are not to be used while operating automobiles or other equipment.
- Restricting the use of cell phones, whether business or personal, while operating a motor vehicle.
- Requiring employees to take precautions such as dialing phones only while stopped or pulling off of the road before making or receiving a call.
- Placing warning stickers that the use of the phone while driving is dangerous and should be done only in an emergency.
- Requiring training on cell phone safety either during scheduled training sessions or providing a simple booklet.
- Maintaining documentation of written acknowledgements of City policy and training records related to cell phones.
- Requiring employees to certify that they did not use the phone in any way that violates company policy. Such certification could be added to the reimbursement form.
- Indicating in the policy that violations can result in disciplinary action to demonstrate the seriousness of this issue.



### **Conclusion**

The City safety manual and cell phone policy should include guidance on the use of cell phones while driving vehicles to insure the safety of both the employee and the public. The policy should be documented, distributed and strictly enforced.

### **Recommendation**

We recommend management develop written guidance that universally covers situations involving the use of City provided cell phones and include in safety training courses.

### **Management's Response**

Management concurs and will issue written guidelines prohibiting use of cell phones while driving City vehicles. Communication of the new guidelines will occur by September 2005.