

## MANAGEMENT RESPONSE TO INTERNAL AUDIT RECOMMENDATIONS

AUDIT	Mobile Phones Anti Fraud and Corruption	PREPARED BY	Mel Fitzgerald	DATE	20/10/09
REPORT DATED	December 2009	REVIEWED BY	Lorraine Sarson	PAGE	1 OF 10

NO	RECOMMENDATIONS	PRIORITY	RESPONSIBLE OFFICER TIME-SCALE	COMMENTS / ACTIONS BY DEPARTMENT
<b>1</b>	<b>There is a defined corporate policy for the procurement and use of mobile phones and staff are aware of its existence.</b>			
1.1	<p>The mobile phone policy should be reviewed regularly and updated to reflect the current ways of working, staff and manager responsibilities and cover the consequences of misuse of all the technology that phones come equipped with such as camera, internet.</p> <p>Corporate Board should formally approve the revised mobile phone policy.</p> <p><i>Similar recommendation made in the 2005/06 audit report AP1.1.</i></p>	High	IT Business Partner –  December 2009.	<p>The New Ways of Working Programme is reviewing the mobile phone policy as part of an increased deployment of mobile phones to staff.</p> <p>The policy will be signed off by Operations Board as opposed to Corporate Board.</p>
1.2	<p>Mobile phones should only be issued subject to the recipient signing up to the mobile phone agreement.</p> <p>All mobile phones issued to staff should be supported by a signed mobile phone agreement.</p> <p>An inventory review should be conducted in line with the requirements of Financial regulations.</p> <p><i>Similar recommendation made in the 2005/06 report AP2.2.</i></p>	High	IT Business Partner –  December 2009.	<p>A process review has been commissioned to look at the end to end process from ordering through the ongoing management. As part of the New Ways of Working Programme a central repository for both mobile and fixed phones will be created. This repository will support ongoing management to itemised charging to devolved budgets.</p>

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<b>1</b>	<b>There is a defined corporate policy for the procurement and use of mobile phones and staff are aware of its existence.</b>			
1.3	<p>Mobile phones that are currently on any network other than Vodafone, which is part of the OGC framework agreement, should be identified and changed to the Vodafone.</p> <p><i>Similar recommendation made in the 2005/06 report AP2.1.</i></p>	High	<p>IT Business Partner –</p> <p>November 2009.</p>	<p>The majority of our mobile phones are supplied and managed by Vodafone. Exceptions to this are based on a 'value for money' proposition and it is recognised that Vodafone is not always the best solution. All mobile telecommunications are managed within the ICT Telecoms team and monitor spend outside of the Vodafone framework where possible.</p>
<b>2</b>	<b>Justification process is completed and authorised prior to staff being provided with a mobile phone.</b>			
2.1	<p>The policy for mobile phones should be reviewed to establish what criteria should apply for NWOW and the different working categories.</p> <p>A review should be conducted against this criteria in conjunction with the new ways of working, a rolling exercise should be conducted on all staff with mobile phones to ensure there is sufficient justification for them to have a mobile phone.</p> <p>Where there is no valid reason the phones should be withdrawn.</p> <p>All mobile phone contracts should be supported with a business justification that has been formally approved by the relevant budget holder.</p> <p>Anomalies should be picked up as part of the rolling exercise as detailed above.</p>	High	<p>IT Business Partner –</p> <p>In conjunction with Telecoms Manager.</p> <p>January 2010.</p> <p>From next request for a mobile phone.</p>	<p>The use of mobile phones is becoming more common place within our organisation. In the past the cost of using a mobile phone has been high and for this reason a business justification was required. Moving forward we are creating an environment that will rely less on the building we use and therefore more reliance on the right information and communication technology. Staff in the future will be given the option to have either a desk or a mobile phone with a move away from providing both. Essentially the provision of a mobile phone will be treated in a similar way to a desk phone and be attached to the job post rather than the individual. Budget managers are expected to monitor itemised spend on both the mobile and fixed phones moving forward, but will not be expected to provide additional business justification over and above what they currently provide for a desk phone. An improved starters and leavers process will ensure that this is better managed in the future.</p>

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<b>3</b>	<b>Random spot checks are conducted on mobile phones in use around the Council.</b>			
3.1	<p>Rolling monthly management verification checks should be carried out to ensure that the officer on the central mobile phone register is using the mobile phones/sim cards issued to them.</p> <p><i>Outstanding recommendation from 2005/06 AP3.1.</i></p>	High	<p>IT Business Partner – In conjunction with Telecoms Manager.</p> <p>November 2009.</p>	<p>A process will be established where all phones (both mobile and desk) are allocated to a budget holder. Each budget holder will be expected to proactively manage the use of phones within their teams. Spot checking will take place within the telecoms team to monitor for misuse/fraud.</p>
3.2	<p>Segregation of duties should exist for the purchasing, receiving, issuing and payment for a mobile phone.</p> <p>Where this is not possible there should be an independent management check of on-line order items back to source documentation to ensure that all orders are bona-fide and authorised.</p> <p><i>Outstanding recommendation from the 2005/06 audit AP2.3.</i></p>	High	<p>Telecoms Manager.</p> <p>November 2009.</p>	<p>This will be taken into account as part of the process review and signed off at the relevant level, most likely Operations Board.</p>

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<b>4</b>	<b>Individual mobile phone bills are received on a regular basis. The employee's service manager independently checks these.</b>			
4.1	<p>Capita must pay mobile telephone bills promptly. Departments should then be recharged for their mobile phone recharges promptly.</p> <p>Evaluate the means of providing managers with an on-line mobile phone bill approval process for their service area. This would enable managers to conduct payment certification checks before payment is made by Capita i.e. 7-14 days prior to date of payment being due.</p> <p>Managers should be provided with individual itemised mobile phone bills. Managers should sign-off payment certification checks to confirm they are satisfied with the phone usage.</p> <p><i>Outstanding recommendation from the 2005/06 audit (AP4.2).</i></p> <p>In the event of a breach of the Council's Corporate Mobile Phone Policy and Code of Conduct managers should take appropriate steps to address these.</p>	High	<p>Group Finance Manager – Corporate</p> <p>December 2009.</p>	Agreed, but the roll out will be dependent on the New Ways of Working Programme and capacity within the service.

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<b>4</b>	<b>Individual mobile phone bills are received on a regular basis. The employee's service manager independently checks these.</b>			
4.2	<p>A full review should be conducted of the agreement in place with Vodafone for the provision of internet usage via SIM card.</p> <p>The Council should establish if they are getting value for money in this area and other ways of achieving cost savings on internet usage.</p> <p>Managers should actively monitor the data usage and charges to ensure they are justified and reasonable.</p>	High	<p>IT Business Partner – In conjunction with Telecoms Manager.</p> <p>Budget Holders.</p> <p>December 2009</p>	Provision of mobile broadband services is part of the standard Vodafone framework. Vodafone continue to review their costs within the framework for mobile broadband and it is recognised that costs are not current aligned to the market. The roll out of public WiFi may provide a different opportunity moving forward.
4.3	<p>All mobile phone costs should only be charged to the mobile phone subjective expenditure code in order for the Council to identify the corporate costs.</p> <p><i>Outstanding recommendation from the 2005/06 audit AP2.4.</i></p>	High	<p>Group Finance Manager – Corporate</p> <p>November 2009.</p>	Agreed and work already taking place to ensure this.
<b>5</b>	<b>In the event lost/stolen phones are consistently being reported, trends are identified by members of staff.</b>			

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5.1	<p>The Telecoms Team should produce exception reports to identify any potential misuse of Council mobile phones.</p> <p>In the event of suspected misuse this should be reported and where necessary followed up with the individual's line manager.</p>	Medium	<p>IT Business Partner – In conjunction with Telecoms Manager.</p> <p>November 2009.</p>	Agreed. The type, format and frequency of these reports will be decided as part of the process review.
<b>5</b>	<b>In the event lost/stolen phones are consistently being reported, trends are identified by members of staff.</b>			
5.2	<p>Formal procedures should be introduced for the informing of lost/stolen mobile phones. The employee should be charged for the cost incurred to the Council.</p> <p>The budget holder should be informed at all times that the phone has been lost or stolen.</p> <p><i>Outstanding recommendation from the 2005/06 audit AP3.3.</i></p>	High	<p>IT Business Partner – In conjunction with Telecoms Manager.</p> <p>January 2010.</p>	Formal procedures should be in place for the lost/stolen reporting of all equipment. Charging to the employee will not be appropriate, but to the budget holder is.

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<b>6</b>	<b>A record of having a mobile phone is included in the employees personnel file. A process is in place to ensure there is a trigger and relevant team is informed of staff leaving the Council to ensure the phone is returned.</b>			
6.1	<p>A formal procedure should be established to ensure that when an employee, in receipt of a mobile phone, leaves the Council, that the Telecoms Team are promptly informed.</p> <p>The phone should then be returned to the Telecoms Team. In the event the phone is given to another member of staff the Telecoms Team should be informed of the Officer and they should sign the Mobile phone Control Form.</p> <p>As part of NWOW, policies and procedures should be established to ensure that there is a central record of all equipment issued to officers including mobile phones.</p>	High	<p>Head of HR Policy &amp; Strategy.</p> <p>January 2010.</p>	<p>This is a requirement for the Starters, Movers and Leavers process being redeveloped. Until such time the existing process for Cost Centre Managers informing of changes will be in place.</p> <p>The preferred process will be considered as part of the process review and will ensure value for money in terms of the service provision and efficiency to the council.</p>

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<b>7</b>	<b>Regular reports/bills are received from the service provider that clearly identifies all types of mobile phone usage.</b>			
7.1	<p>The Telecoms Team must ensure that a bar is placed on all contract mobile phones to prevent premium rate calls.</p> <p>The Telecoms Team should produce exception reports on a regular basis to monitor for any premium rate calls. In the event that any premium rate calls are detected these should be barred immediately.</p> <p>Staff issued with a mobile phone should be reminded not to use premium rate numbers.</p> <p>Where non-compliance continues this should be escalated accordingly and the mobile phone in question retrieved. Relevant staff should be recharged the costs incurred by the Council.</p> <p>Disciplinary action should be taken where appropriate.</p>	Low	<p>IT Business Partner – In conjunction with Telecoms Manager.</p> <p>November 2009.</p>	<p>A communication to this affect will be made on the Intranet and the mobile phone policy will reflect this.</p> <p>Action already carried out to bar premium rate numbers (118 118) and regular reviewing is already taking place within the Telecoms team.</p> <p>As part of the escalation the retrieval of the mobile phone could cause an inability to work if this is their own phone. The line manager will be responsible for managing the misuse, and will reach agreement themselves on the recharge of additional cost incurred, but recommendations within the misuse of the policy will show recommendations.</p>



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<b>7</b>	<b>Regular reports/bills are received from the service provider that clearly identifies all types of mobile phone usage.</b>			
7.2	Confirmation should be obtained whether the Council is insured against fraudulent use, such as cloning, within the Vodafone Contract.	High.	IT Business Partner – In conjunction with Telecoms Manager.  November 2009.	To be investigated.
<b>8</b>	<b>An inventory exists of mobile phones and Sims cards.</b>			
8.1	<p>The mobile phone inventory should be reviewed and updated to ensure that all mobile phones and SIM cards can be clearly accounted for. This should include, mobile number model/serial number and where or who it is located with.</p> <p>The inventory should be updated promptly should any change arise.</p> <p>An annual review should be conducted and the inventory signed by the person conducting the check.</p>	High	<p>IT Business Partner – In conjunction with Telecoms Manager.</p> <p>January 2010.</p>	<p>The Telecoms team already manage a process to support this. However there are gaps due to the lack of the Starter, Movers and Leavers process.</p> <p>When the new process is in place it will be used to support this recommendations, but in it absence recommendation 4.1. and 5.1 will cover</p>

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<b>8</b>	<b>An inventory exists of mobile phones and Sims cards.</b>			
8.2	Any surplus of phones and SIM cards should be recorded on the mobile phone inventory. Stocks should be held securely at all times. <i>It should be noted that the Telecoms Team advised they have destroyed and disposed of these cards at the time of the audit as they were found to be defected.</i>	Medium	Telecoms Manager.  November 2009.	Agreed.

I certify that the above information is correct

**Service Manager:** David Titcombe

**Date:** 7/12/2009

**Internal Audit:** Lorraine Sarson

**Date:** 7/12/2009