



INTERNAL AUDIT REPORT FOR

AT&T Billing for Mobile Devices

Department of Information Technology Services
Audit Plan Year 2024

September 6, 2024

GWINNETT COUNTY
INTERNAL AUDIT DIVISION

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Background & Scope

Congress established an independent federal agency, the FirstNet Authority (the Authority), after 9/11 to create a single nationwide broadband network dedicated to public safety first responders. This was due to the significant communication problems between various safety agencies during the disaster. The Authority built the network in partnership with AT&T, and it provides priority nationwide communication services for public safety users. The Authority continues to expand the public safety network which is referred to as FirstNet. There are approximately 27,000 public safety organizations throughout the United States that use FirstNet. Gwinnett County (the County) also provides mobile devices via FirstNet for government leaders, public safety, and other essential employees to serve residents more efficiently, particularly during man-made or natural disasters, through enhanced connectivity. The Department of Information Technology Services (ITS) manages the procurement and provisioning of mobile devices for the County. Agency and department leaders authorize users, device types, and rate plans generally based on job responsibilities. The ITS Device Management team (Device Management) procures, activates, and distributes devices to employees based on authorization instructions kept in their service desk ticketing system. Agencies and departments are responsible for billing accuracy, device safeguards, and usage once ITS deploys devices. Device Management uses the FirstNet online portal to order various devices and rate plans for use by the County's first responders and extended members (other employees) on the nationwide 5G network. ITS limits FirstNet portal access to their team members to centralize procurement and inventory management activities for control purposes. The County's first responders and other employees had approximately 4,000 and 3,000 wireless devices respectively on the dedicated network. All have unlimited voice and data plans. The County spent approximately \$3 million for AT&T wireless services during the audit period of January 2023 to February 2024. Management's key control objectives for AT&T mobile device billing activities include the following:

- Ensure bill payments for AT&T services are accurate and comply with contract terms.
- Maintain optimal number of users and devices to manage costs.
- Seek best value for customer services, devices, rate plans, and network coverage.
- Prevent unauthorized use and data leakage.

The purpose of this audit was to evaluate the adequacy and effectiveness of management's control activities that are designed to provide reasonable assurance of achieving the objectives. Internal Audit (IA) conducted this audit in accordance with *International Standards for the Professional Practice of Internal Auditing* (Standards). The Standards require that we plan and perform the audit to identify and evaluate sufficient information to support engagement results. We interviewed employees, observed certain control activities, and reviewed business documents on a sample basis for the audit period. We believe the evidence provided a reasonable basis for our assessment. See **Exhibit A** for a summary of our audit procedures. The scope of this audit was limited to mobile devices and excluded ITS purchases of AT&T infrastructure solutions. Mobile device security configurations and features will be reviewed in separate ITS audits.

Assessment

Management's control activities may not provide reasonable assurance of achieving one or more of their objectives. IA evaluated the adequacy and effectiveness of nine controls. There were opportunities for management to pursue best value and improve the design or execution of key control activities. We found no evidence of irregularities in procurement activities or use. We obtained corrective action plans from seven agencies and departments with the largest number of cellular users. See next section for details.

Recommendations

1. Number of user accounts may not be optimal.

Device Management generates monthly reports from FirstNet that categorize activity by users, wireless numbers, current charges, device types, and usage. They forward the reports to agency heads, directors, or their designees for review and validation. Review objectives are to ensure charges are accurate and only apply to valid users. Also, a Device Management Supervisor periodically reconciles payroll termination data to FirstNet to ensure billing data excludes terminated employees. We judgmentally selected a sample of billing reports for January 2023, July 2023, January 2024, and February 2024 and reperformed certain control activities to evaluate their effectiveness. We also reviewed billing content for unusual activity, missing data, and users with multiple devices. The following is a summary of our findings:

- Though monetarily immaterial, there were approximately 29 users contained on the February 2024 billing reports who were apparently no longer employed by the County.
- Billing reports contained a significant number of mobile numbers assigned to blank or generic usernames such as IT Test 1, Park Maintenance, and Gwinnett County Government. There were also users with more than one mobile device. We could not confirm that departments validated all these accounts and charges.
- There were on average 1,500 user accounts with zero activity on each monthly invoice. Total rate plan and feature charges for these users were approximately \$192,000 for the four months, which could be significant on an annual basis. See **Exhibit B** for details. Device Management began highlighting zero activity accounts on monthly bill reports for agencies and departments to assess. This began consistently during audit fieldwork, and we were unable to evaluate outcomes.

Agency and department reviews of billing activity and payroll reconciliations should be sufficient to ensure agencies and departments maintain an optimal number of mobile accounts. However, the control activities apparently lack sufficient detail, important user attributes, and follow-through to be effective.

RECOMMENDATION

Device Management should reconcile terminations against the HR generated termination report and disable accounts for terminated employees accordingly. Agencies and Departments should focus on validating accounts with missing or generic names and update Device Management. Device Management should continue to highlight zero usage on the billing reports distributed to the departments. They should validate agencies and departments obtained the reports via receipts.

Management Responses:

Community Services

Community Services agrees with this recommendation and will implement by the end of 3rd quarter 2024.

Fire

Fire and Emergency Services agrees with this recommendation and will implement it by Q1 2025. The Department will continue to validate the accounts with missing or generic usernames by working with DoITS to implement specific usernames for device locations (i.e., fire station locations). The Department will implement procedures in coordination with DoITS to reduce zero usage devices and assure appropriate plan types are justified.

ITS

Terminations were corrected immediately upon IA identification. ITS Device Management reviews the HR termination report daily and terminates reported accounts immediately. Device Management will open a recurring service ticket when the billing reports are distributed to the Departments for review. The Service ticket will be used to track report distribution and acknowledgements from the departments. Responsible Departments will return an acknowledgement to ITS Device Management within 15 days of receipt. ITS Device Management will follow up, via email, with any department that fails to return an acknowledgement within the specified review period. All responses and failed acknowledgements will be documented in the Service ticket for future reference. This process will be initiated effective with the 3rd quarterly review.

Police

After receiving a quarterly report, Police will be able to accurately determine what accounts need to be removed. Police can also review usage rates to determine if more economical plans would be more cost effective. These quarterly reports from IT should also have the employee to whom the devices are assigned. Police will implement after receiving the third quarter report from IT.

Sheriff

Gwinnett County Sheriff's Office agrees with the recommendation to enhance the management of user accounts, particularly in reconciling terminations with billing data and ensuring that all accounts have valid and specific usernames. We will collaborate with ITS to regularly review zero usage accounts and take necessary actions to optimize our mobile usage. Additionally, we support exploring more economical alternatives to unlimited plans for users with minimal or no activity, including the potential use of shared hotspots or modems to reduce costs. This will be completed quarterly beginning September 2024.

Transportation

The Department of Transportation will analyze the list of devices assigned to the department. Accounts will be validated to ensure that devices assigned to employees are necessary for their job duties; device plans are appropriate for the employee's job needs; any unnecessary or underutilized devices are removed from service as appropriate; a non-generic name/function is associated with each device for traceability; and the list of devices is analyzed on a quarterly basis at a minimum. The department will have this task completed by the end of September 2024.

Water Resources

Water Resources agrees with this recommendation and will develop and implement a procedure to validate current accounts, monthly activity, and identify devices that could be reduced by the end of 2024.

2. Some rate plans may not provide the best value.

An ITS Associate in the Financial Management Division obtains monthly consolidated bills and spot checks plan rates against FirstNet data. The Associate also validates department coding and, if applicable, user credits or refunds each month. The Associate resolves any discrepancies with AT&T representatives if necessary. IA walked through the review procedures to understand outcomes and analyzed detailed billing data to confirm effectiveness. There were approximately 7,000 first responders and other employees who predominately subscribed to two unlimited 5G access plans, excluding equipment data plans. The basic plans were unlimited talk, text & data with a monthly access fee of \$39.99 per month and Unlimited Extra - Hotspot with a monthly access fee of \$44.99 per month. However, actual monthly plan charges per user ranged from \$15 to \$49 per month because of added features, credits, and service level charges. We did not find an itemized list of the features and charges. Some had contract start and end dates while others had none. We also noticed 38 user accounts without any rate plans. The data suggests management does not review all rate plans, including those without unlimited access, and features to ensure users receive the most cost-effective plan based on their duties.

The County purportedly uses AT&T FirstNet through the Georgia Technology Authority (GTA) though we could not find a County GTA agency agreement. We noticed GTA also maintains mobility services contracts with Southern Linc, T-Mobile USA, and Verizon Wireless. We found no evidence that the County solicited bids directly from the service providers or contacted GTA agency representatives to ensure best value.

RECOMMENDATION

ITS Financial Management should review all rate plans to ensure they are current and have not expired with older costlier plans. They should include monthly billing data, and vendor rate plans in the Device Management Reports to include applicable rate plans, features, and services for the billing period. ITS Financial Management should analyze roll-forward data each month and validate charges. Department managers must evaluate usage and consider if unlimited plans are economical for users with marginal activity, based on job duties. They should consider alternatives to unlimited plans and/or service providers to ensure the assigned features and services provide the best value for the Departments' business needs and the individual's responsibilities. Obtain approval from Agencies and Departments before processing bills for payment in SAP.

ITS should solicit bids from service providers and select the best values for Board of Commissioners (BOC) approval.

Management Responses:

Community Services

Community Services agrees with this recommendation and will implement as reports are received by IT.

Fire

Fire and Emergency Services agrees with this recommendation and will implement it by Q1 2025. The Department will reconcile the monthly billing data to simplify plan types and confirm user plans and features are cost effective based on job duties.

ITS

ITS Device Management will add a column to the billing report to include assigned rate plans. The report will be formatted to better identify features and services assigned to a single user. This process will be initiated effective with the 3rd quarterly review. ITS Device Management will create a simplified Rate Plan table that aligns with Service Provider rate plans side by side for easy review and comparison by Departments. This table will be attached to the Service Request template for new service requests and included with the billing reports. This process will be initiated beginning with the 3rd quarter.

Police

After receiving monthly billing data and plan types along with usage data report, Police will be able to make sound decisions on the best plan for individuals. These quarterly reports from IT should also have the employee to whom the device is assigned. Police will implement after receiving the third quarter report from IT.

Sheriff

Gwinnett County Sheriff's Office agrees with the recommendation to review and update rate plans to ensure they provide the best value. We will collaborate with Financial Management to streamline the plan selection process and validate that our employees are using the most cost-effective options available. Additionally, we support exploring alternatives to unlimited plans for employees with minimal mobile device usage and will be involved in any efforts to solicit bids from other service providers to ensure the best value. This will be completed quarterly beginning September 2024.

Transportation

The Department of Transportation will analyze the list of devices assigned to the department to ensure that device plans are appropriate for employee's job needs and any unnecessary or underutilized devices will be removed from service. The department will have this task completed by the end of September 2024.

Water Resources

Water Resources agrees with this recommendation and will develop and implement a procedure to maximize the value of the current rate plans for all users by the end of 2024.

3. Could not obtain AT&T and IGA agreements.

The County purchases mobile voice and data services purportedly through a statewide GTA contract 9800-GTA794-A with AT&T. Any city and county within Georgia may acquire mobile services under this enterprise agreement if they complete agency agreements with AT&T (FirstNet subscription) and GTA (enterprise). They must also follow the GTA's procurement rules. As previously mentioned, we could not validate the County's prices because the County generally used two basic plans but had over 20 plan subtypes because of term and feature modifications. Also, we obtained the GTA enterprise contract, but did not get the County agreements with AT&T and GTA. They may not exist.

RECOMMENDATION

ITS should formalize agency agreements with AT&T and GTA. The Law Department should approve the agreements as to form before submitting them to the BOC for approval.

Management Response

The Statewide Contract 9800-GTA794-A does not require independent County contracts with the assigned vendors.

Other Considerations

IA observed an opportunity to improve certain business activities to produce good outcomes. The advisory comment is for consideration only, and management is not required to provide a written response or corrective action plan.

Human Resources should modify the Department Separation Checklist to include a disclosure for County mobile devices. This data point will help ensure supervisors account for mobile devices when employees transfer or terminate employment.

Exhibit A: Summary of Audit Procedures

IA performed the following procedures to evaluate the adequacy and effectiveness of control activities:

- Interviewed departmental management to identify key control activities. Walked through key activities to confirm understanding and validate operations.
- Selected judgmental sample of four monthly billing cycles January 2023, July 2023, January 2024, and February 2024. Reviewed sample data for accuracy, contracted rates, application of credits, correct cost centers, duplicate phone numbers, and zero voice and data usage for invoices (**Recommendations 1 and 2**).
- Reviewed February 2024 AT&T bills to validate employment status of personnel billed by cross-referencing SAP and Outlook.
- Obtained examples of monthly invoice reviews by department directors for February 2024.
- Discussed individual department level controls regarding device management and billing with Department of Water Resources, Department of Transportation, and Police Services.
- Reviewed two months of terminations for November 2023 and December 2023 to validate the removal of plans from AT&T bills.
- Obtained the GTA enterprise agreement for AT&T telecommunications services. Attempted to locate contracted rates and plans within the document. Sought evidence of County agency agreements with AT&T and GTA (**Recommendation 3**).
- Selected a judgmental sample of 45 devices and traced them to approved order tickets. Also, sought evidence of ITS Director approval for any non-standard requests if applicable.
- Reviewed Department Separation Checklist for completeness and reliability regarding inventory management.
- Reviewed performance-related tickets submitted to AT&T during the audit period for resolution.
- Verified the use of Microsoft Intune to remotely wipe devices during terminations, lost devices, or stolen devices.

Exhibit B: Zero Usage Billing Details

Months	Bill Amounts	Amount of Zero Usage	Percent of Zero Usage
January 2023	\$217,671	\$51,586	24%
July 2023	316,058	44,054	14%
January 2024	465,345	49,442	11%
February 2024	331,551	46,989	14%
Totals	\$1,330,625	\$192,071	14%

Source: AT&T billing records and SAP

Zero usage refers to devices with no voice or data activity for the period.