

**Special Report**

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**State-Issued Pager Service Update**

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**The State of West Virginia Will Realize an Annual Cost Savings of \$25,855 As a Result of Eliminating Minimally Used or Unnecessary Pagers**



**June 2006  
PE 06-07-380**

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John Sylvia  
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June 13, 2006

The Honorable Edwin J. Bowman  
State Senate  
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The Honorable J.D. Beane  
House of Delegates  
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Charleston, West Virginia 25305-0470

Dear Chairs:

We are transmitting a Special Report on *State-Issued Pager Service Update*, which will be presented to the Joint Committee on Government Operations on Tuesday, June 13, 2006. The issue covered herein is "The State of West Virginia Will Realize an Annual Cost Savings of \$25,855 as a Result of Eliminating Minimally Used or Unnecessary Pagers."

Let me know if you have any questions.

Sincerely,

Handwritten signature of John Sylvia in cursive script.  
John Sylvia

JS/wsc

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*Joint Committee on Government and Finance*



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# Executive Summary

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*The intention of the pager study was to determine if the state is wasting money on unnecessary state-issued pagers.*

The Legislative Auditor initiated a study of state-issued pagers as a result of a previous audit that examined state-issued wireless telephones. In the wireless telephone report, the Legislative Auditor estimated that the state of West Virginia is wasting over \$500,000 annually on unnecessary wireless telephones. The intention of the pager study was to determine if the state is wasting money on unnecessary state-issued pagers.

To facilitate the Legislative Auditor's study, the following state agencies participated in a survey concerning pager use: Alcohol Beverage Control Commission (ABCC); State Auditor's Office; Department of Environmental Protection (DEP); Department of Health and Human Resources (DHHR); Division of Natural Resources (DNR); Educational Broadcasting Authority; Human Rights Commission; Office of Miner's Health and Safety Training; Public Employee Insurance Agency (PEIA); Division of Rehabilitation Services; Supreme Court; and the State Treasurer's Office.

*From the twelve agencies surveyed, seven eliminated a total of 150 pagers for an annual cost savings of \$25,855.*

The Legislative Auditor asked the agencies to review the results of the survey and eliminate any unnecessary pagers. From the twelve agencies surveyed, seven eliminated a total of 150 pagers for an annual cost savings of \$25,855. The Department of Natural Resources, the Office of Miner's Health and Safety Training, the Public Employees Insurance Agency, and the Supreme Court did not eliminate any pagers. The Human Rights Commission did not respond to the initial survey. The Office of Miner's Health and Safety Training was the only agency that increased their pagers during this review. Due to the recent tragedies at the Sago and Aracoma mines, the agency increased its number of pagers from 6 to 19 in an effort to improve their communication abilities.





# Review Objective, Scope and Methodology

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This Special Report on State-Issued Pagers is authorized by the West Virginia Code §4-2-5 as amended. This is an update of the January 2006 report which found that the state of West Virginia could realize cost savings by eliminating pagers that were minimally used or determined to not be necessary for a state employee to conduct their work.

## **Objective**

The objective of this review was to report the annual cost savings that will be realized by each agency as a result of eliminating unnecessary pager service.

## **Scope**

The scope of this report included the elimination of pagers by state agencies following the release of the January 2006 report.

## **Methodology**

The Legislative Auditor sent a letter to the agencies that participated in the survey asking them to adhere to the recommendations made in the January 2006 report. The agencies complied and sent documentation to the Legislative Auditor showing that they did review their pager use and either eliminated unnecessary pager service or determined that their pager service was needed. Every aspect of this review complied with the Generally Accepted Government Auditing Standards.



# Issue 1

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## **The State of West Virginia Will Realize an Annual Cost Savings of \$25,855 as a Result of Eliminating Minimally Used or Unnecessary Pagers**

### **Background**

In January 2006, the Legislative Auditor released a study of pager use within the following state agencies: Alcohol Beverage Control Commission (ABCC); State Auditor's Office; Department of Environmental Protection (DEP); Department of Health and Human Resources (DHHR); Division of Natural Resources (DNR); Educational Broadcasting Authority; Human Rights Commission; Office of Miner's Health and Safety Training; Public Employee Insurance Agency (PEIA); Division of Rehabilitation Services; Supreme Court; and the State Treasurer's Office. The Legislative Auditor estimated that \$133,884 was being spent annually on pager service by these agencies.

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*According to the survey, only 38% of survey participants were being paged on a "daily" or "weekly" basis.*

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The Legislative Auditor then surveyed each employee within each agency who was assigned a pager, and received 605 responses. After receiving the survey results, it was the opinion of the Legislative Auditor that the responses to these questions suggested that there were unnecessary expenditures occurring regarding the use of state-issued pagers. According to the survey, only 38% of survey participants were being paged on a "daily" or "weekly" basis. In addition, only 30% of survey participants were contacted by pager after work hours or when out of the office. Therefore, according to the survey, the majority of participants (70%) were contacted by "state-issued wireless telephone," "personal wireless telephone," "land-line home telephone," or by other means of communication, such as email. Finally, the results showed that nearly half (40%) of the survey participants answered that the lack of a pager would not interfere with their ability to do their job. It was the opinion of the Legislative Auditor that this demonstrated the need for a scrutinized look at pager use throughout state government.

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*Finally, the results showed that nearly half (40%) of the survey participants answered that the lack of a pager would not interfere with their ability to do their job.*

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The Legislative Auditor estimated that the agencies included in the survey could have saved up to \$53,554 annually, or 40%, by eliminating unnecessary pager expenditures. This would drop the cost of pager service for the agencies surveyed from \$133,884 per year to \$80,330.

### **Seven State Agencies Eliminated Unnecessary Pagers for an Annual Savings of \$25,855**

**From the twelve agencies surveyed, seven eliminated a total of 150 pagers for an annual cost savings of \$25,855.** This amounted to a 18% reduction in the total number of pagers by the agencies surveyed. The

***The Division of Natural Resources, the Office of Miner's Health and Safety Training, the Public Employees Insurance Agency, and the Supreme Court did not eliminate any pagers.***

breakdown of pager elimination by agency, along with the cost savings can be seen in Table 1. The Department of Health and Human Resources accounted for nearly half (\$12,000 of \$25,855) of the annual cost savings. This was to be expected considering the size of the agency compared to the others surveyed. The Alcohol Beverage Control Administration, which eliminated 95% of its pagers, had the next largest savings at \$5,700 annually, followed by the Department of Environmental Protection (\$2,208), the Division of Rehabilitation Services (\$1,624), the State Treasurer's Office (\$1,680), the Educational Broadcast Authority (\$1,404), and the State Auditor's Office (\$1,239). The Division of Natural Resources, the Office of Miner's Health and Safety Training, the Public Employees Insurance Agency, and the Supreme Court did not eliminate any pagers. The Human Rights Commission did not respond to the initial survey.

Agency	Original # of Pagers	Pagers Eliminated	Percentage Eliminated	Annual Cost Sav- ings
ABC Commission	22	21	95%	\$5,700
Auditor	38	7	18%	\$1,239
DEP	29	13	54%	\$2,208
DHHR	493	78	16%	\$12,000
DNR	127	0	0%	\$0
Educational Broadcast Authority	24	12	50%	\$1,404
Human Rights Commission^	N/A	N/A	N/A	N/A
Miner's Health and Safety Training*	6	+13	0%	\$0
PEIA	4	0	0%	\$0
Rehabilitation Services	34	8	24%	\$1,624
Supreme Court	8	0	0%	\$0
Treasurer	33	11	33%	\$1,680
<b>Totals</b>	<b>818</b>	<b>150</b>	<b>18%</b>	<b>\$25,855</b>
<small>^The Human Rights Commission did not respond to the initial survey. *Due to the recent tragedies at the Sago and Aracoma mines, the agency increased its number of pagers from 6 to 19.</small>				

***Although 57% of its employees responded that the lack of a pager would not interfere with their ability to do their job, the Division of Natural Resources did not eliminate any pagers.***

Although 57% of its employees responded that the lack of a pager would not interfere with their ability to do their job, the Division of Natural Resources did not eliminate any pagers. The Director stated:

*Pursuant to the Special Report on State Issued Pager Service, please be advised that each DNR section chief was surveyed and responded that all pagers assigned to employees in this agency should be retained.*

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The Legislative Auditor commends all the agencies for their reviews and responses.

### **The Office of Miner’s Health and Safety Training Increased Its Number of Pagers Due to the Recent Tragedies at the Sago and Aracoma Mines**

At the time of the initial survey, the Office of Miner’s Health and Safety Training had six pagers. In light of the recent tragedies at the Sago and Aracoma mines, the agency increased its number of pagers to 19. The acting director of the agency stated:

*In light of the recent tragedies at the Sago and Aracoma mines, the agency increased its number of pagers to 19.*

*The justification behind the increase is that as a result of the recent mine tragedies that occurred at the Sago and Aracoma mines, it is imperative to have the fastest means of communications with our mine rescue personnel, regional field supervisors and others required to respond to mine emergencies, cell phone service is not widely or even remotely available in the coal fields of West Virginia.*

*It is crucial that we have every means available to relay this information to our agency staff.*  
*- Acting Director for the Office of Miner’s Health and Safety Training*

The acting director indicated that a Mine and Industrial Rapid Response Call Center has been established to report mine emergencies. The emergency information is dispatched from the call center to his staff. He further notes:

*It is crucial that we have every means available to relay this information to our agency staff.*

The Legislative Auditor agrees with this justification and recognizes this as a necessary and appropriate use of state resources.

*Paying for equipment and services that are not being utilized is wasteful, and state agencies should periodically review these expenditures.*

### **Conclusion**

Paying for equipment and services that are not being utilized is wasteful, and state agencies should periodically review these expenditures. The seven state agencies that eliminated pagers during this review will realize a total annual cost savings of \$25,855 for the State of West Virginia. The Legislative Auditor commends the participating agencies for reviewing, and in some instances, eliminating their pagers.

