



AUDIT HIGHLIGHTS

E-Verify Compliance During FY 2017/18

September 12, 2018

Audit Report No. 1902

WHY WE DID THIS AUDIT

This audit was included on the Council-approved FY 2018/19 Audit Plan to confirm, for selected City contractors, use of the E-Verify program as required by state and federal law. The City is required by Arizona Revised Statute (A.R.S.) §41-4401 to check contractor and subcontractor compliance.

BACKGROUND

Since 2010, after Arizona's Legal Arizona Workers Act (LAWA) went into effect, the City Auditor's Office has periodically audited selected City contractors' compliance with the required use of the federal E-Verify system. The state law provides that every Arizona government entity that enters into a service contract is required to establish procedures to conduct random verifications to ensure its contractors and their subcontractors comply with required use of the E-Verify employment eligibility program.

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WHAT WE FOUND

City contractors and subcontractors are generally using the E-Verify program for their workers on City of Scottsdale contracts.

Specifically, we found:

- Four of the five selected contractors and five of the seven selected subcontractors performed E-Verification of their sampled employees before being contacted for the audit.
- The remaining contractor and two subcontractors performed E-Verification of their sampled employees after being contacted for the audit.

WHAT WE RECOMMEND

The Purchasing Department should continue to advise Contract Administrators to emphasize the E-Verify contract requirements to contractors at the start of each contract and that the City audits for compliance with these requirements.

MANAGEMENT RESPONSE

The Department agreed and will incorporate this reminder into the existing internal contract award and renewal notifications to Contract Administrators.