



# AUDIT HIGHLIGHTS

## E-Verify Compliance During FY 2018/19

May 5, 2020

Audit Report No. 2002

### WHY WE DID THIS AUDIT

This audit was included on the Council-approved FY 2019/20 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.

### City Auditor's Office

City Auditor 480 312-7867  
Integrity Line 480 312-8348  
[www.ScottsdaleAZ.gov](http://www.ScottsdaleAZ.gov)

### WHAT WE FOUND

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

Auditors selected five contractors with City services contracts for testing. All the selected contractors used subcontractors to perform work on their applicable contracts. Specifically, we found:

- Four of the five selected contractors and seven of the eleven selected subcontractors performed e-verification of their sampled employees before being contacted for the audit.
- One contractor did not have E-Verify documentation for a selected employee, but the employee was no longer working for the company.
- One subcontractor did not have E-Verify documentation for its selected employee and stated its former payroll processing company that performed the verification is no longer in business.
- The remaining contractor and four subcontractors provided E-Verify documentation that was dated after our audit request.

### WHAT WE RECOMMEND

We did not make any recommendations.

### MANAGEMENT RESPONSE

The Purchasing director acknowledged receiving the audit report and noted the department will continue communicating the requirements to contractors to support compliance efforts.