



AUDIT HIGHLIGHTS

E-Verify Compliance During FY 2019/20

January 22, 2021

Audit Report No. 2102

WHY WE DID THIS AUDIT

This audit was included on the Council-approved FY 2020/21 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

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. Three of the five selected contractors used subcontractors to perform work on their applicable contracts. Specifically, we found:

- Two of the five selected contractors and four of the five selected subcontractors performed e-verification of their sampled employees before being contacted for the audit.
- The remaining three contractors and one subcontractor provided E-Verify documentation that was dated after our audit request.
- One employee of the subcontractor was identified as "SSA Tentative Nonconfirmation" when the delayed E-Verify was performed. The subcontractor was unable to resolve the issue as this employee was no longer working for the company.

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 associated E-Verify requirements to support the compliance efforts.