**I-9 Internal Audit 2011**

**Report & Lessons Learned**

**To: Ethics Committee Chairman**

**From: General Counsel**

**Date:**

**cc: Human Resources Director**

**Department: Legal**

**Owner: Human Resources**

**Area: Employment Compliance; Focus Area:** **I-9** **Employment Authorization & Verification**

# Internal Audit Process

# At the direction of General Counsel, \_\_\_\_\_\_\_\_\_\_ conducted an initial review of I-9s for a randomly selected pool of employees’ I-9 documents at one location. The results of this initial sampling were sufficient to warrant a complete review of I-9 documentation in all relevant locations. Over a period of three months, \_\_\_\_\_\_\_ visited each I-9 storage site, reviewing the I-9s at each site, compiling results, and visiting with employees responsible for obtaining and maintaining I-9s.

At the conclusion of each site visit, \_\_\_\_\_\_ prepared the results and shared them with General Counsel to assist her in providing legal advice to company managers. \_\_\_, \_\_\_, Human Resources Director, and \_\_\_ General Counsel, met to follow up on the results and address future I-9 protocol.

# Lessons learned, purpose and objectives

The purposes of the audit included:

* Determining compliance with federal laws and regulations and Nabholz policy on collection, completion and retention of I-9 forms as required;
* Identifying and reporting areas of risk;
* Examining and reporting on quality of internal controls relating to I-9 area;
* Evaluating quality of work processes;
* Performing an independent and confidential, internal review of the quality of the I-9 processes to determine preparedness for an audit;
* Review and evaluate current processes and identify areas of improvement; and
* Develop course of action and consistent process to assure I-9 compliance.

Lessons were learned and opportunities for improvement were discovered. As part of a continuous improvement process, Human Resources was engaged to develop and assure an improved internal I-9 protocol. The audit assisted the Legal Department in discovering the root causes of failures and to take steps to avoid those problems in the future.

This report also serves to provide the Ethics Committee Chairman with sufficient information to assure proper “checks” on I-9 Compliance have been put into place to address any failures.

## I-9 Audit Results Summary

* Company-wide:
	+ Approximately 897 employees
	+ Company A – 392 current employees
		- 81.6% non-compliant
		- Terminated employees, 15 non-compliant
	+ Company B – 505 current employees
		- 56.8% % non-compliant
		- Terminated employees, 79 non-compliant
	+ Overall, 68% current employees non-compliant
* Most common areas of concern[[1]](#footnote-1):
	+ Missing Forms
	+ Forms not completed within time required
	+ No Hire Date
	+ Not certified by Human Resources
	+ Documents not described accurately, not listed, or no expiration dates of documents provided
	+ Corrections on form not done correctly (corrections process also regulated)
	+ Storage and destruction of forms process requires improvement & consistency among geographic locations

**Corrective Actions**

* Corrections Process of current I-9 documents. Division-based Companies A and B detailed breakdowns provided to Human Resources Department & responsible employee for each location to make corrections. \_\_\_\_\_\_ is providing support during the corrections process.
* \_\_\_\_ assisting with creation of storage and destruction binders for each location with “reminder” instructions contained within the binders.
* Human Resources Director revising and communicating future I-9 protocol to Human Resources support staff at each location. Resource to be posted on Human Resources Intranet Support page for managers & responsible employees.
* I-9 Completion checklists provided to responsible employees as a resource.
* Human Resources to provide step by step, telephone support to on-site personnel in distant locations to assure on-site personnel timely and correctly complete forms, view documents as required, and assure transmittal of documents for proper retention.
* Human Resources to improve processes to assure responsible staff receive proper training and have adequate resources when questions arise.
* Reporting confidential audit results and recommendations on corrective action to Ethics Committee Chairperson.
* Human Resources to place on “HR Calendar” to spot check I-9s on annual or bi-annual basis in the future.
1. Note: Improvement in completion of I-9 forms observed by auditor noticed following re-structure of Human Resources staff. [↑](#footnote-ref-1)