



UNIVERSITY OF
TEXAS
ARLINGTON

**FORM I-9, EMPLOYMENT ELIGIBILITY VERIFICATION COMPLIANCE REVIEW
JUNE 28, 2016**

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MEMORANDUM

TO: Dr. Vistasp Karbhari
President

FROM: Anna Nicodemus *Anna Nicodemus*
Interim Chief Audit Executive, Office of Internal Audit

DATE: June 28, 2016

SUBJECT: Form I-9, Employment Eligibility Verification, Compliance Review dated June 28, 2016

Executive Summary

The Immigration Reform and Control Act requires the completion of Form I-9 to document verification of the identity and employment authorization of each employee hired after November 6, 1986 to work in the United States. We have completed our audit of Form I-9, Employment Eligibility Verification, Compliance Review as included in our Fiscal Year 2016 audit plan. The objective of this audit was to verify that Form I-9 is properly and timely completed in accordance with UT Arlington policies and procedures and federal regulations.

Based on the results of the audit procedures performed and samples tested, instances of non-compliance and opportunities for improvement were noted. Some Form I-9s were 1) missing and subsequently completed during the audit, 2) had not been updated as required, and/or 3) incomplete.

The reportable findings and recommendations in this audit were deemed significant to the department or process. None of the findings are deemed as a “priority finding” to the University. A priority finding is defined as, “*an issue identified by an internal audit that, if not addressed timely, could directly impact achievement of a strategic or important operational objective of a UT institution or the UT System as a whole. Standard factors for determining a Priority Finding have been established in three categories: namely, Organizational Controls, Quantitative Risks, and Qualitative Risks.*”

We appreciate the courtesy and cooperation we received from the Office of Human Resources staff throughout this audit.

Background Information

The U.S. Department of Homeland Security (DHS) took over the responsibility for implementing and enforcing the employment eligibility program in 2003. The Immigration Reform and Control Act (IRCA) of 1986 requires employers to use the Form I-9, Employment Eligibility Verification, to verify the identity and work eligibility of all employees, both citizen and noncitizen, hired after November 6, 1986, to work in the United States.

To comply with the law, the University is required to verify the eligibility of all employees at the time of hire by accurately completing the Form I-9 within 3 business days of the employee's first day of employment. The University must also retain the form and make it available for inspection at any time. Both the employee and the University (or authorized representative) must complete the Form I-9 and attest to their evidence of employment and review respectively.

Failure to accurately complete and retain Form I-9 for every employee can cost the University thousands of dollars in fines. Monetary penalties range from \$110 to \$1,100 per individual violation.

Objectives

The objective of this audit was to verify that Form I-9 is properly and timely completed in accordance with UT Arlington policies and procedures and federal regulations.

Scope and Methodology

To achieve the audit objective, we interviewed key personnel in the office of Human Resources, reviewed applicable policies, and evaluated a sample of Form I-9s and related documentation.

In order to verify proper and timely completion of Form I-9, we selected a sample of 35 employees that included U.S. citizens, permanent residents and international employees. We performed the following steps:

- determined whether the sampled employees have valid appointments in UT Share/PeopleSoft; and
- verified whether Form I-9 was properly and timely completed for each employee in the sample.

The scope of the audit covered University employees hired as of June 30, 2015.

Audit Results

Form I-9 Testing

Of our sample of 35 employees, we tested 33 Form I-9s for employees with valid appointments. The remaining 2 of the selected sample were Persons of Interest (POI) workers and were not required to complete Form I-9 since they were not considered traditional employees.

Observation:

Through testing of 33 Form I-9s, 14 of 33 (42%) Form I-9s were either missing or contained incomplete information as required by UT Arlington and federal requirements. In the 14 Form I-9s, we observed 15 errors as follows:

- Six of 33 (18%) Form I-9s sampled were completed during the audit as the Office of Human Resources (HR) could not locate the forms. Hiring dates for the six employees were between August 1987 and July 2015. Form I-9s were not retained as required by UT Arlington's Procedure 3-58, *Completion of Immigration and Naturalization Service Form I-9*, which states that the University should retain Form I-9 at least one year after the individual's employment is terminated or three years after the date employment begins, (whichever is later).
- Five of 33 (15%) Form I-9s were not updated due to change in employment authorization. Two employees had visas extended to 2017 and 2018 and three had a change in citizenship status during 2013 and 2014. Section 3 of Form I-9 was not updated with the information as indicated to do per DHS and UT Arlington's HR Form I-9 Guidelines.
- Four of 33 (12%) Form I-9s had errors such as missing dates of birth, dates of signature, or employment documentation expiration dates.

Effect/Potential Impact:

Officials from the DHS and other federal agencies may inspect the University's Form I-9s at any time. Failing to comply with Form I-9 requirements can cost the University thousands of dollars in fines; with penalties ranging from \$110 to \$1,100 per individual violation.

Recommendation: (Medium)

The Office of Human Resources management should review the University's cluster of Form I-9s to ensure that the forms are correctly completed, have the required supporting documentation, are retained as required, and updated as necessary per federal regulation requirements. A training refresher for the staff involved in the review process is also

recommended. Consideration should be given to establishing a query that would facilitate internal compliance reviews.

Management Response:

1. *The Office of HR should review the University's cluster of Form I-9s to ensure that the forms are correctly completed have the required supporting documentation, are retained as required, and updated as necessary per federal regulation requirements.*
 - *The HR Office has put a plan into place for every active employee's I-9 record to be pulled, reviewed, and either replaced or corrected, as deemed appropriate.*
 - *Four new temporary employees will be hired for this project and trained by the Assistant Director, Human Resources and the HR Records Staff. Any errors found will be corrected and documented. Project reports will be facilitated on a weekly basis to track number of records audited and number of records that are completed.*
 - *A query has been developed in UT Share, which will provide a list of expiration dates for I-9 documents. This query will be run on a monthly basis and reviewed by the Assistant Director of Human Resources. Hires on or after September 1, 2015 will be available in this query.*

2. *A training refresher for the HR staff involved in the review process is also recommended. This training was completed during the month of March.*

Target Implementation Date:

The first review will contain substantially completed I-9s, and will be completed by 11/04/16. The due date is directly tied to the resources applied. If more temporaries are engaged, then the date could move forward. Progress Reports will be available on an on-going basis continuously throughout the audit.

Responsible Party: *Assistant Vice President for Human Resources Management and Development*

Conclusion

Based on the results of the audit procedures performed, samples tested, and follow up by HR management, we did not identify any employee that did not have identity and employment authorization substantiated. However, a number of Form I-9s were 1) missing and subsequently completed during the audit, 2) had not been updated as required, and/or 3) incomplete.

Our examination was conducted in accordance with guidelines set forth in the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. These *Standards* set criteria for internal audit departments in the areas of independence, professional proficiency, scope and performance of audit work, and management of the internal

auditing department. UT System policy UTS 129 titled “Internal Audit Activities” requires that we adhere to the *Standards*.

We appreciate the courtesy and cooperation we received from the Office of Human Resources staff throughout the audit.