IndyGo SM

I-9 Employment Eligibility Verification & Driver's License Review Report

Governance & Audit Report No. 2025-01

Issued on February 12, 2025

EXECUTIVE SUMMARY

Background

The Internal Audit Work Plan approved by the Governance and Audit Committee for fiscal year 2025 included a I-9 Employment Eligibility Verification (I-9) and Driver's License Review.

Our audits are performed in accordance with the professional practice standards of the Institute of Internal Auditors. This report was prepared for use by IndyGo's Board of Directors, Governance and Audit Committee, and management.

Objective and Scope

Examine the policies, procedures, and controls in place for I-9 and Driver's License compliance. Considerations included:

- Determine compliance guidelines and determine if IndyGo is following the guidelines.
- Is the required documentation being collected and maintained for each employee?
- What document storage method is being used for employee I9 identifications?

Overall Report Rating & Observations
(See Appendix A for definitions)

	Report Rating	Number of Observations by Rating		
		High	Medium	Low
I-9 & Driver's License Review	**High**	**3**	**1**	**0**

Overall Summary and Review Highlights

IndyGo Governance and Audit performed a review of the I-9 and Driver's License documentation for all 'active' employees at IndyGo.

Governance and Audit noted the following observations:

- Missing I-9 Supporting Documents
- Missing Driver's Licenses
- File Maintenance Issues
- HR Solutions System (ADP) Module Utilization/E-Verify

The observations and management's responses are presented in our accompanying report.

Our overall report rating for this is considered a "High" risk.

We would like to thank IndyGo staff and all those involved in assisting us in connection with the review.

Questions should be addressed to the IndyGo Department of Governance and Audit at batkinson@indygo.net.

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1. I-9 Supporting Documentation		
Observation: I-9 supporting documentation from the time of hire could not be located.	**Recommendation:** Management should obtain the proper I-9 supporting documents required to be maintained on file for every active employee at IndyGo.	

Observation Rating: High

There were 843 employees reviewed for I-9 compliance from the January Employee Head Count report obtained from the payroll department. From these employees reviewed, Governance & Audit checked supporting documents in the employment profiles in ADP, paper employee files maintained at Department of People at West Campus and separate paper copies of I-9 documents found at West Campus. Of the 843 employees, 126 were missing I-9 supporting documents on file in any of the three locations checked. The original files reviewed were both paper and electronic copies and not part of the E-Verify System.	It is recommended that I-9 supporting documentation be obtained and scanned into ADP. Governance and Audit can provide a detailed listing of the employees who are currently missing documentation on file. The Department of People can reach out to obtain the required documentation from the employee.	**Management Action Plans:** Employers are not required to maintain copies of documents used to verify employment eligibility and identity. But if an employer chooses to do so, they should be consistent. Effective January 27, 2025, supporting documents have been uploaded by employees during the onboarding process and imported into the HRIS. This process is completed through a system automation, but it will be highlighted in the Employee Onboarding SOP as a safeguard. During the I-9 remediation process, the department copied supporting documents for all employees that completed the process. The supporting documents will be digitized and stored on the department's SharePoint site. **Responsible Parties :** Department of People **Due Dates:** April 2025

I-9 Supporting Documents on File

Y/N	Number of Employees
NO	126
YES	717
Total	**843**

Missing Documentation by Year of Hire

Governance & Audit was requested to determine what supporting documentation was missing by year of hire. We noted that 52 of the 126 employees with missing I-9 documents fell within 2023 and 2024 hire dates.

Missing I-9 Supporting Documents by Year of Hire			
Hire Year	Number of Employees	Hire Year	Number of Employees
1978	1	2011	1
1979	4	2012	1
1980	1	2013	2
1981	2	2014	4
1982	1	2015	3
1983	1	2016	2
1984	2	2017	3
1985	2	2018	6
1986	5	2019	8
1996	1	2020	3
1997	1	2021	6
1998	1	2022	5
1999	2	2023	30
2000	1	2024	22
2003	2	2025	1
2009	2		
Total			**126**

Type of I-9 Documentation Maintained

Identification has been noted for which employees have electronic versus paper copies of I-9 documents.

I-9 Supporting Documents On File	
Copy Type	Number of Employees
Electronic Copy	309
Paper Copy	394
Both	14
Total	**717**

2. Driver's License

Observation:	**Recommendation:**	
Driver's License documentation from time of hire could not be located.	Management should request all updated driver's license documentation for missing employees.	

Observation Rating: Medium

There were 843 employees reviewed for Driver's License copies on file. The list of employees was from the January Employee Head Count report obtained from the payroll department was used for review. From these employees reviewed, Governance & Audit checked supporting documents in the employment profiles in ADP, paper employee files maintained at Department of People at west campus and separate paper copies of I-9 documents found at west campus.	It is recommended that Driver's License documentation be obtained and scanned into ADP. Governance and Audit can provide a detailed listing of the employees who are currently missing driver's licenses. The Department of People can reach out to obtain this documentation from the employee.	**Management Action Plans :** Driving is not an essential function for all roles; therefore, the "missing" designation is likely much lower. Because license requirements are limited to safety sensitive roles and/or roles where driving is required, the department will need to conduct an internal audit to get an accurate account of the employees impacted.
Of the 843 employees, 109 were missing a copy of the Driver's License on file in any of the three locations checked. It is noted that Driver's License copies are not required for employees not expected to drive in their job responsibilities. Driver's Licenses were provided as part of the accepted documentation for employment eligibility verification.		As observed, employees are not required to provide a driver's license to establish identity in completing the I-9 process. However, when a driver's license was used to during the I-9 remediation process, the department maintained a copy of the document and added the document number and expiration date to their HRIS record.

Driver's License Copy on File

Y/N	Number of Employees
NO	109
YES	734
Total	**843**

Responsible Parties :

Department of People

Due Dates:

May 2025

Missing Documentation by Year of Hire

It was requested of Governance & Audit to review missing documentation by year of hire. We noted that 33 of the 109 employees missing a copy of the employees' Driver's License fell within 2023 and 2024 hire dates.

Missing Driver's License Copy			
Hire Year	Number of Employees	Hire Year	Number of Employees
1978	1	2011	1
1979	3	2013	1
1981	1	2014	2
1982	1	2015	3
1983	1	2016	5
1984	2	2017	4
1985	2	2018	12
1986	4	2019	12
1996	1	2020	4
1997	1	2021	6
1999	2	2022	5
2003	1	2023	21
2009	1	2024	12
Total			**109**

Type of Driver's License Documentation Maintained

Identification has been noted for which employees have electronic versus paper copies of Driver's Licenses.

Driver's License Copy on File	
Copy Type	Number of Employees
Electronic Copy	333
Paper Copy	381
Both	20
Total	**734**

3. E-Verify System and ADP I-9 Documentation Module		
Observation: It was noted that in April of 2022, IndyGo signed a Memorandum of Understanding to interface the E-Verify (web-based) to the current ADP System. In addition, ADP has a standalone I-9 documentation module. Neither I-9 documentation management tool is being consistently utilized.	**4 Recommendation:** It is recommended that management consistently use E-Verify to submit I-9 documents for authorization to work in the United States.	

Observation Rating: Medium

Since June 30, 2011, the State of Indiana requires state agencies, political subdivisions (IndyGo) and contractors to use E-Verify. **E-Verify System** **Section 1:** Candidates for employment may upload documents and complete Section 1 of the I-9 form electronically. **Section 2:** IndyGo's People and Culture staff can review and verify to ensure all adequate documents have been uploaded by the candidate. Employers can use E-Verify to compare information from an employee's Form I-9 to government records. Upon completion of the review and verification of documents, E-Verify can provide an immediate (3-5 seconds) results for authorization. **Supplement A:** Preparer and/or Translator Certification used for Section 1. **Supplement B:** Reverification and rehires. Employers complete the Supplement B process when an employee needs to be reauthorized due to being rehired, having a legal name change, or when a documentation of employment authorization has expired.	Since the State of Indiana requires IndyGo to use the E-Verify system, it is recommended that the Department of People and Culture review all records in the E-Verify system. Necessary corrections should be made and documentation added for those employees with no record in the system. This would include obtaining missing documents from current employees. The Department of People and Culture should use the E-Verify system for all future hires.	**Management Action Plans :** The E-verify process has been used consistently since the new hire class that began working on January 27, 2025; prior to this date, utilization of E-verify was sporadic. A procedure for conducting a physical review of documents, completing the I-9 document, and filing E-Verify cases was implemented on 1/27/2025. A written step-by-step guide for the employment authorization and identity verification was drafted in March 2025 and will be transitioned to the new Onboarding team in April 2025. This procedure will be incorporated into a formal Employee Onboarding Standard Operating Procedure (SOP) by May 2025. Upon discovering that the corporation had completed the E-Verify process (in ADP) for 571 employees, department leaders created a Remediation Plan and designated a task force to: - Audit all files to identify impacted employees - Communicate the discovery to impacted employees, to include action required.

Governance & Audit met with the People and Culture Department on January 21, 2025, to discuss impending audit of processes. I-9 Compliance process was determined to be audited first. Governance & Audit began the review of the supporting documents for I-9 compliance. The People and Culture Department leaders assigned a staff member (Manager of Compliance & Process Improvement) with the task of reviewing of I-9 submissions through E-Verify. Through the review of the submissions, it was discovered that employment authorizations were not completed for approximately 570 current and former employees.

All E-Verify users must complete formal training of the system process and attest to adhere to the procedure. It was confirmed through discussions with management, the onboarding coordinators responsible for performing verifications, had been formally trained and had access to the E-Verify system.

In addition to the E-Verify system, there is available within the ADP Management Program utilized by IndyGo, there is an I-9/Citizenship module located as part of the Statutory Compliance included under the Employment Profile. This module mimics the three Federal components required for US Workforce Authorization. These are as follows:
- List A – Authorization and Identity Document
- List B – Identity Document
- List C – Authorization Document

Each of these lists contains fields for receipt expiration, issuing authority and document type. Reports can be generated from these searchable fields to maintain current I-9 documentation and notification when expired.

- Collect documents and complete I-9 forms.

It was determined that the task force would need to complete the I-9 process for 434 employees and the work began on 2/17/2025. As of 4/1/2025, only 3 active employees that had not complied with the request to complete the I-9 process.

*Note: As of 4/2/2025. there are 16 employees on leave. The department is working with the Service Center team to ensure the process is completed for this group upon their return to work.

Responsible Parties:

Department of People & Culture

Due Dates:

May 2025

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4. File Maintenance		
Observation: It was noted through review of the I-9 and Driver's License documents maintained, the files were not being adequately maintained.	**Recommendation:** Management needs to address the file maintenance concerns.	

Observation Rating: High

The employee files, I-9 document files and the online employment profiles on ADP were reviewed. The following issues were noted from this review pertaining to the file maintenance adequacy. - Terminated employees are still included in the active paper employment files. - Terminated employees are still included in the I-9 document files. - The employee paper files and the I-9 document files are not in alphabetical order. - Employee paper files as well as I-9 document files were not adequately updated when a name change occurs for an employee. - There is no consistency regarding where documents are being maintained (i.e., some are in employee paper files, online and some only had documentation in the I-9 document files). - Within the paper employee files, the onboarding checklist states that documents are included in the file but could not be located. - It was noted that there were 2 boxes on top of the employee files within the Department of People area that no one knew what information was being housed within these boxes.	- Compare the paper files with a current employee roster and move the terminated employees to the inactive file cabinets. Maintain this moving forward. This same action should be done with the separate I-9 paper files. - Distribute the I-9 paper files to various Department of People employees to alphabetize the file content. This would take a minimal amount of time. - Use a temp service or summer interns to scan into ADP the documentation from the paper files of active employees and move to an entire electronic filing system.	**Management Action Plans :** Current state: As of March 2024, all employee files are maintained electronically in the HRIS. Future state: IPTC is in the process of identifying a vendor to digitize corporation files. Upon securing a vendor, the department will begin categorizing the physical files to prepare for scanning. When the digital files are returned to us, the active employee files will either be uploaded to the Employee Documents section of ADP or stored on the department's SharePoint site. **Responsible Parties :** Department of People **Due Dates:** 2025 - 2026

- There is inconsistency with the documents being maintained for online files (i.e., it does not appear the same information is being requested and scanned to online files upon hiring).
- The Department of People employees were not aware that most of the I-9 files were separate from the employee files. The separate I-9 files were not labeled and found in the bottom on a lateral file.
- The goal was to transition entirely to electronic files for all employees hired 2023 going forward; however, from G&A's review, it appears to be inconsistent.
- It was noted that there were a few active employees hired on the roster where no documentation could be located (paper or electronic).

APPENDIX A – RATINGS DEFINITIONS

Observation Rating Definitions	
Rating	**Definition**
Low	Process improvements exist but are not an immediate priority for IndyGo. Taking advantage of these opportunities would be considered best practice for IndyGo.
Medium	Process improvement opportunities exist to help IndyGo meet or improve its goals, meet, or improve its internal control structure, and further protect its brand or public perception. This opportunity should be considered in the near term.
High	Significant process improvement opportunities exist to help IndyGo meet or improve its goals, meet, or improve its internal control structure, and further protect its brand or public perception presents. This opportunity should be addressed immediately.
Not Rated	Observation identified is not considered a control or process improvement opportunity but should be considered by management or the Board, as appropriate.

Report Rating Definitions	
Rating	**Explanation**
Low	Adequate internal controls are in place and operating effectively. Few, if any, improvements in the internal control structure are required. Observation should be limited to only low risk observations identified or moderate observations which are not pervasive in nature.
Medium	Certain internal controls are either: • Not in place or are not operating effectively, which in the aggregate, represent a significant lack of control in one or more of the areas within the scope of the review. • Several moderate control weaknesses in one process, or a combination of high and moderate weaknesses which collectively are not pervasive.
High	Fundamental internal controls are not in place or operating effectively for substantial areas within the scope of the review. Systemic business risks exist which have the potential to create situations that could significantly impact the control environment. • Significant/several control weaknesses (breakdown) in the overall control environment in part of the business or the process being reviewed. • Significant non-compliance with laws and regulations. • Observations which are pervasive in nature.
Not Rated	Adequate internal controls are in place and operating effectively. No reportable observations were identified during the review.