

## **PRIMESTAFF INTERNATIONAL AUDITING SERVICES**

In October 2006 PrimeStaff International launched its Government Compliance and Human Resources Auditing Services group. The team is headed by Tim Kryska, a Certified Internal Auditor (CIA), who brings more than 30 years of work experience as an internal auditor for the Ford Motor Company to the position. The goal of this group is to provide reliable and cost effective auditing services to client companies with a focus on:

- Immigration Reform and Control Act of 1986 (IRCA)/ Form I-9 Compliance
- Fair Labor Standards Act (FLSA) Compliance
- Workers Compensation Insurance

Our client companies represent a wide range of employers. From large General Contractors who want to ensure IRCA and FLSA compliance by their subcontractors to smaller labor companies who want to make sure that their I-9 process is in compliance with the law, we are able to tailor our services to companies' individual needs.

### **1. Immigration Reform and Control Act of 1986 (IRCA)/ Form I-9 Compliance:**

During an IRCA/I-9 compliance audit our consultants review a company's overall I-9 process and ensure that the form itself is filled out completely and accurately.

Under current law, it is illegal to employ a person who is not legally authorized to work in the U.S. Accordingly, all U.S. employers are required to verify the identity and work authorization status of each and every newly hired employee. The tools used for compliance is the USCIS Employment Verification known as the Form I-9.

All U.S. employers are responsible for completion and retention of a Form I-9 for each individual they hire for employment in the United States. This includes citizens and non- citizens. On the form, the employer must verify the employment eligibility and identity documents presented by the employee and record the document information on the Form I-9. While the employer is not expected to be a document expert, it is held to a "reasonableness" standard in determining whether the documents are fraudulent or not.

### **Comprehensive 3-Step Process**

PrimeStaff International Auditing Services uses a methodical and well proven approach to conduct an IRCA/I-9 Audit that involves three key steps:

#### ***Step 1 - Review Current I-9 Process***

Consultants interview key members of the employer's staff who are in charge of the I-9 process. The main focus is to identify who fills out the I-9 forms and reviews the original documentation presented by employees. In addition, it is determined at what stage of the hiring process the I-9s are being filled out.

#### ***Step 2 - Review the I-9 Forms on File***

By reviewing the I-9 forms on file our consultants can establish how many of the I-9s presented would be considered failures and therefore subject to fines during a government audit.

### ***Step 3 - Report Findings and Recommendations***

We draft an IRCA/I-9 Audit Report that is designed to both assist the employer to come into IRCA/I-9 compliance, and to provide the employer a good faith defense to potential fines resulting from IRCA violations. Our IRCA/I-9 Audit Reports contain:

- a summary of the materials reviewed and the staff interviewed;
- a written summary of our findings regarding whether the employer is in or out of compliance with particular IRCA/I-9 requirements;
- an explanation of the analysis that led to the findings; and
- recommendations for correcting areas of non-compliance.

## **2. Fair Labor Standards Act (FLSA) Compliance:**

A FLSA compliance audit covers all of an employer's personnel policies and practices. In this review, our experienced consultants conduct an on-site review of a company's personnel records, payroll records and personnel policies, and interview executives and managers concerning practices that appear to be out of compliance with applicable laws and regulations. The reviewer then issues a detailed, confidential report to management in which the status of the company's compliance is discussed and, where necessary, recommendations are made for necessary corrective action.

The audit is conducted in a manner similar to what an employer could expect if a government inspector walked through the door. The big difference is that the results of this audit are reported only to management, which then has the opportunity to take appropriate, corrective action before any government agency learns of the potential problems.

The FLSA Audit is the only reliable means that an employer has to determine whether it is complying with numerous and exacting FLSA requirements and regulations. Casual and periodic spot checks are not sufficient because of: the complexity and broad scope of the FLSA; the U.S. Department of Labor (DOL) regulations that interpret the FLSA; and the numerous DOL opinion letters that apply the FLSA to particular employers. It is only through an in-depth investigation into an employer's time keeping and compensation practices, and an analysis of how those particular practices measure up to FLSA requirements, that an employer can be fully assured of its FLSA compliance.

### **Comprehensive 3-Step Process**

PrimeStaff International Auditing Services uses a methodical, problem-solving approach to conduct an FLSA Audit that involves three key steps:

#### ***Step 1 - Review Current Practices***

Step 1 of the FLSA Audit process involves both a review of the employer's written policies, and interviews with select members of the employer's staff. The objective of this step is to determine precisely how the employer documents work time and compensates its employees.

#### ***Step 2 - Analyze Whether Practices Comply with FLSA Requirements***

In Step 2, we compare the employer's practices with FLSA requirements to determine whether the employer is in or out of FLSA compliance. The analysis portion of the audit includes a review of employees who the employer has declared exempt from FLSA overtime, a manual calculation of pay checks, and a comparison of time sheets to pay checks.

### ***Step 3 - Report Findings and Recommendations***

We draft an FLSA Audit Report that is designed to both assist the employer to come into FLSA compliance, and to provide the employer a good faith defense to potential FLSA litigation. Our FLSA Audit Reports contain:

- a summary of the materials reviewed and the staff interviewed;
- a written summary of our findings regarding whether the employer is in or out of compliance with particular FLSA requirements;
- an explanation of the analysis that led to the findings; and
- recommendations for correcting areas of non-compliance.

### **3. Workers Compensation Insurance Review**

During the Workers Compensation Insurance Review our consultants typically verify that the employer has the required workers compensation insurance for their employees in place, that all employees are covered by workers compensation insurance and that the employer paid the workers compensation insurance payment.