SUSD Compensation Practices
Audit No. 2413

SUSD Audit Committee

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Audit Objective

To review the District's compensation and benefit practices, evaluating how compensation practices align with established District policies, including employee classifications, salary placement and administration, and benefits eligibility.

A separate classification and compensation study has been commissioned by the District.

Applicable policy guidance

- Governing Board Policies
- Employment Agreements
- Board-approved Salary Schedules
- Employee contracts (template forms)
- Board-approved Job Descriptions

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Controls over salary placement need to be strengthened and data quality needs to be improved to prevent and identify potential errors.

What we found:

A. Most salaried employees were paid within the approved salary schedules and ranges.

Some exceptions include:

- Inconsistencies in years of services and return to work status.
- Several administrative positions were not listed in salary schedules.

B. Inadequate controls over hourly employee pay assignment may have resulted in inaccurate rates.

- 15 employees had an incorrect pay grade and another 50 were potentially incorrectly placed.

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Controls over Salary Placement, cont'd

C. System salary schedules do not align with Board approved schedules – *however, current processes do not rely on system controls.*

D. Stronger internal controls are needed to improve the accuracy of salary placement and identify potential errors.

E. Several supplemental pay amounts were not approved by the Board.

Table 2. Differences in rate or structure between ERP system salary schedules and Board-approved schedules.

Salary Schedule	Salary/ Rate Schedule Differences	Schedule Structure Differences
Certified	None	System table includes steps for existing teachers, while the approved schedule is specific to new teachers.
Certified Occupational Therapist Assistant, Guidance Counselors, Occupational/Physical Therapy, Speech Language Pathologists	None	System table includes added columns for education/experience.
Administrative Support - 12 month	None	System table includes steps and columns, while the approved schedule only includes minimum and maximum amounts.
Assistant Principals - 11 Months, Principals	System table includes a "Principals" salary schedule that was not Board approved (applied to 1 employee in an interim position).	System table includes High School Assistant Principal 11-month position, but the position no longer exists.
Cabinet	Minimum and maximum system rates were higher than Board approved by 15% and 2%, respectively.	System table includes steps not Board approved.
Classified	Minimum system rates were 2% lower than Board approved.	System table includes only minimum and maximum rates, while the Board approved schedule includes columns and rows.
Executive Directors	Minimum and maximum system rates were higher than Board approved by 3% and 29%, respectively.	System table includes steps not Board approved.

Controls over salary placement, cont'd

What we recommend:

- ✓ Implement stronger manual and system controls and improve processes to improve data entry accuracy.
- ✓ Review and correct data inconsistencies and errors.
- ✓ Establish procedures for aligning system salary schedules with Board-approved schedules.
- ✓ Establish procedures for verifying accuracy of pay placement calculations.
- ✓ Ensure supplemental pay is authorized.
- ✓ Obtain approval for extended salary schedules.

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District has not adopted employment policies for all employee classes to guide employment contract terms and practices

A. Not all employee groups are specifically covered in the 3 approved agreements, resulting in a gap in policy guidance

B. Policy has not formally defined the positions that fall within each employee group.

Employment Agreements	Contract Template Form	Salary Schedules[1]
1. Certified	1. Certified Teacher 2. Certified Terminating	1. Certified Teacher, Social Worker & Nurse
2. Classified	3. Notice of Classified Appointment	2. Classified
3. Administrator – Principal and Assistant Principals (AP)	4. Certified Administrator,12 months 5. Certified Administrator, 11 months	3. School Administrative (Principal & AP)
	6. Special Services Provider	4. Certified Teacher, Social Worker & Nurse 5. Certified Occupational Therapist Assistant 6. Guidance Counselor 7. Occupational/Physical Therapist 8. Psychologist 9. Speech Language Pathologist
	7. Classified Administrator - Exempt	10. 12-month Administrative Position 11. Executive Director
	8. Senior Level Administrator	12. Cabinet

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District has not adopted employment policies for all employee classes to guide employment contract terms and practices.

What we recommend:

- ✓ Develop classification and compensation policies for Governing Board approval that address all employee groups and identifies the positions within each of those groups.
- ✓ Evaluate ways to simplify administrator contract forms, ensure all contract forms cover key terms, and ensure the correct contract forms are used for each position.
- ✓ Establish procedures to ensure that all employees annually review and accept their employment contracts/notices. Issue new employment contracts to employees that have an inaccurate type of contract

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Leave benefit plans do not always align with benefit policies approved by the Board.

What we found:

A. Two leave plans were not authorized in current policy.

B. Five leave plan accruals do not match policy.

C. 45 employees had an inconsistent leave plan assignment.

What we recommend:

- ✓ Establish procedures to ensure system leave plans accurately reflect approved plans.
- ✓ Review and correct errors within leave data/records.

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A periodic review of job descriptions is needed to ensure compliance with overtime pay requirements.

What we recommend:

- ✓ Perform a review of the positions at risk for FLSA misclassification.
- ✓ Establish a formal process for periodic review and update of job descriptions.
- ✓ Ensure that job descriptions are maintained for all District positions and approved by the Governing Board.

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Questions

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