

Update on the Scottsdale Human Resources Audit

Performed by the City of Scottsdale under direction of the Scottsdale Audit Committee

Dr. Heather Cruz, Assistant Superintendent for Human Resources
September 13, 2024

Finding 1

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

1.1 Design and implement stronger manual and system controls to help ensure accurate employee salary placement. Additionally, establish processes to improve data entry accuracy in fields such as years of experience and employment status. Evaluate ways to automate salary placement processes to reduce errors and create exception reporting to identify potential errors.

- Established:

- Monthly trainings on hiring process and placement established
- New Hire placement schedules for all certified and classified employee groups
- Two verifications for salary placements required for new hire placements

- In progress:

- Creating the system for a monthly auditing routine into our practice.
- Developing a placement schedule for administrators

1.2 Review and correct errors identified in salary or rate placement.

- Human Resources and Payroll have identified these employees.
 - Their salaries have been corrected.
 - April, 2024

1.3 Establish procedures to ensure ERP system salary schedules align with Governing Board approved schedules, and address discrepancies with Governing Board approved schedules.

- Payroll addressed the discrepancies.
- Human Resources verified this was completed and aligned with Governing Board adopted salary schedules.
 - April, 2024

1.4 Establish procedures for verifying accuracy of calculations for District-wide pay increases and salary schedule changes.

- Payroll created a standard operating procedure (SOP) to district-wide pay increases and salary schedule changes.
 - You can access this SOP [here](#).
- Human Resources verified the increases for accuracy.
- Work with IBN to ensure a comprehensive salary schedule
 - Will also work to eliminate any outliers through this process

1.5 Obtain approval for extended versions of Certified Salary Schedule, and other expanded versions of position schedules in use, as applicable.

- All salary schedules have been approved by the Governing Board
- If employees are over the upper boundary of the approved salary schedule, the amount that is taken back to the Governing Board for approval as listed as a Salary Differential.
- For FY26 moving forward, salary schedules will be adjusted to include all salary amounts for employees.
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1.6 Establish procedures to ensure supplemental pay is authorized in accordance with District policies.

- The Supplemental Salary schedule has been updated to reflect all supplemental pays for the District.
- Daily rates for Substitutes have been added to the Supplemental Salary Schedules for transparency.
- If any other Supplementals are found throughout the year that are not reflected on the Supplemental Salary schedule, that schedule will be brought back to the Governing Board for approval before those are paid to any employee.

1.7 Review and correct data inconsistencies within key data fields such as Description and Primary Job Title.

- Compensation and Classification Study will inform realignment of “Primary Job Description” and “Primary Job Title.”
- We will wait for the information from the studies above to complete this action.
 - Spring, 2025

Finding 2

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

2.1 Develop classification and compensation policies for Governing Board approval, that address all employee groups and identifies the positions that are categorized within each of those groups.

- This will be addressed through the Interest-Based Negotiations (IBN) process.
- We held our kick-off meeting with all four employee associations on August 28th.
- We also will capture this in policy.

2.2 Evaluate ways to simplify administrator contract forms, and ensure all contract forms cover key terms, such as leave and buyout programs, and ensure the correct contract forms are used for each position.

- This will be completed through the FY25 contract issuance.
- We will continue to evaluate all contract templates to look at new statute.
- All employees will also have to be evaluated through the lens of the new Fair Labor Standards Act (FLSA) ruling.
 - Many employees may/will need to be re-categorized according to the new ruling approved in April, 2024.

2.3 Establish procedures to ensure that all employees annually review and accept their employment contract/notices. Issue new employment contracts to employees that have an inaccurate type of contract.

- Human Resources provided weekly data to school/department supervisors to track acceptance of contracts. Corrected contracts were issued for 2024-2025 for those employees identified in the audit.
- Human Resources will continue to refine this process for the 2025-2026 (FY26) school year.

Finding 3

Several leave plans do not align with benefit policies approved by the Board.

3.1 Establish procedures to ensure ERP system leave plans accurately reflect approved benefit plans, remove unauthorized leave plans and address discrepancies with Governing Board approved accruals and assigned leave plans.

- SOP document has been created by the Payroll Department.
 - Please access the SOP [here](#).
- Unused leave plans have been removed from the Visions system.
- Payroll conducted an internal audit to ensure employees were placed on the correct leave plan for the current year.

3.2 Review and correct errors with employee leave data/records. As an example, data analytics could be used to compare calendar schedule and contract type to assigned leave plans to identify potential errors.

- Human Resources collaborated with Payroll to utilize data analytics to compare work calendar schedules and contract types to ensure correct leave records.
- The Payroll team will conduct internal audits to ensure continued accuracy.

Finding 4

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

4.1 Perform a review of job descriptions at risk of FLSA misclassification.

- This is currently in progress. There is much more work to be done with this.
- Initial conversations have begun with the employees identified in the audit.
- An initial report has been generated from the Visions system.
- I will be meeting with legal counsel to begin the analysis for all positions through the new FLSA ruling on 9/17/24.
- I expect this to be completed through the staffing and contract issuance process in the late winter/spring, 2025.

4.2 Establish a formal process for periodic review and update of job descriptions, including tracking request dates, responses, and last review dates. Also, ensure that job descriptions are reviewed for accuracy of FLSA status and payment determination when the documents are updated.

- The District engaged in a Compensation and Classification study as part of the work from audit number one.
- The Compensation stage has been completed.
 - An update was provided to the Governing Board on 8/23/2024.
 - Please find a link to that report [here](#).
- The Classification stage is beginning this month. We had a meeting with Logic Compensation Group on 9/9/24.
 - Tentative completion date: January, 2025.

4.3 Ensure that job descriptions are maintained for all District positions and approved by the Governing Board.

- At the current time, all new job descriptions and any job descriptions that have substantive changes, are taken to the Governing Board for approval.
- The Classification Study that will be conducted during the Fall of 2024 will inform an job descriptions that need to be updated and/or changed.
 - Any substantive changes or new job descriptions will be brought to the Governing Board for approval.
- All Governing Board approved job descriptions to be maintained and updated in TalentEd Recruit & Hire.

Questions?

Thank you!