



Update on the Scottsdale Human Resources Audit

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

Written Update for December 13, 2024

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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
 - [Monthly auditing routine](#)
 - In progress
 - Developing a placement schedule for administrators
 - We are currently working through the Interest-Based Negotiation (IBN) process with the Scottsdale Administrator Association and the Scottsdale District Administrator Association on this item.
 - Anticipated date – February 2025
- 1.2 Review and correct errors identified in salary or rate placement.
 - All salaries were corrected as of 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 the Governing Board adopted salary schedules.
 - All completed April 2024.
- 1.4 Establish procedures for verifying accuracy of calculations for District-wide pay increases and salary schedule changes.
 - Established
 - 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.
 - In Progress
 - Work through IBN to ensure a comprehensive salary schedule
 - Anticipated date – February 2025

- 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.
- 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.
 - In Progress
 - Compensation and Classification Study will inform realignment of “Primary Job Description” and “Primary Job Title.”
 - The information from the studies above will inform this action.
 - Anticipated Date - 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, which address all employee groups and identify the positions that are categorized within each of those groups.
 - IBN is well underway. We will not be discussing salary until into the second semester and we have some information from the Legislature.
 - The classification study is also underway. All employees have been provided with the opportunity to submit a Position Description Questionnaire (PDQ).
 - These were all due to Logic Compensation Group by December 9, 2024.
 - Some groups will be provided with the opportunity to participate in a focus group.

- We are hoping to have actionable data from this study by February 2025.
 - We did slow the timeline down a bit in order to receive accurate information from as many employees as possible.
- 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.
 - All contract templates have been sent to legal counsel for review for FY26 contract issuance.
 - They are being reviewed for statute updates as well as any updates required by the Federal Labor Standards Act (FLSA).
 - All templates will go to the Governing Board for approval prior to any contract issuance.
- 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 (HR) will continue to provide data to supervisors in order for proper monitoring and communication.
 - HR will also communicate frequently with all employees' groups through the many channels provided by SUSU.
 - HR has added this item to the monthly audit processes.

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.
 - Payroll created a SOP for this item.
 - HR will also audit this based on the monthly audit schedule.
- 3.2 Review and correct errors with employee leave data/records. As an example, data analytics could be used to compare calendar schedules and contract type to assigned leave plans to identify potential errors.
 - This has been added to the HR monthly audit schedule.

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.
 - I am currently working with legal counsel on this.
 - All employees that will be identified as non-exempt per the updated FLSA ruling will be notified prior to the winter break.

- Upon their return on January 6, 2025, they will be required to begin clocking in and out utilizing Time Clock Plus.
 - This is the time keeping system for the District.
 - Current fringe benefits will be transitioned to their new classification beginning July 1, 2025.
 - When work agreements are issued for FY26, they will be issued a work agreement that reflects their new classification.
- 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.
 - This will be a part of the work associated with the Classification Study that is currently taking place.
 - We will add a piece to the monthly audit schedule to ensure job classifications are consistently reviewed in alignment with FLSA requirements.
- 4.3 Ensure that job descriptions are maintained for all District positions and approved by the Governing Board.
 - Any job descriptions that have changes/updates will be taken to the Governing Board for approval.
 - All Governing Board approved job descriptions will be maintained and updated in TalentEd Recruit & Hire.

Please do not hesitate to reach out with any further questions.