



Update on the Scottsdale Human Resources Audit

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

Written Update for April 4, 2025

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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 in the final stages of this development for principals and district administrators.
 - Anticipated date: May 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
 - All salary schedules were approved by the governing board at the April 1, 2025, governing board meeting.
 - Salary differentials were included in salary schedules to ensure all compensation is on the adopted salary schedule and approved by the Governing Board.
- 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
 - Salary differentials were included in salary schedules to ensure all compensation is on the adopted salary schedule and approved by the Governing Board.
- 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 pay 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.
 - We just took this back for revision at the April 1st governing board meeting.
- 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
 - This work to clean up all of these fields, along with other outcomes from the compensation and classification study will be the focus of work for this fall.
 - This allows for the appropriate change management to take place organizationally.

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.
 - Scottsdale District Administrators Association was recognized last spring by the SUSD Governing Board, which includes all District administrators.
 - The IBN team came together and recommended a 1% salary increase for all employee groups at the March 4, 2025 governing board meeting.

- The team also recommended utilizing \$1M to offset the increasing costs of health insurance for all employees for the 2025-2026 school year.
 - The Governing Board accepted this recommendation.
- 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 for 2025-2026 were reviewed by legal counsel
 - They are being reviewed for statute updates as well as any updates required by the Fair Labor Standards Act (FLSA).
 - All templates were approved by the Governing Board at the February 11, 2025 meeting. [Here](#) is a link to the Governing Board meeting in BoardDocs.
- 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.
 - Certified contracts were issued on March 17, 2025.
 - Reports have been sent to supervisors every Sunday to ensure they are following up with employees who have not signed their contracts.
 - Human Resources (HR) will continue to provide data to supervisors in order for proper monitoring and communication.
 - Human Resources will continue this practice following the issuance of administrative contracts and classified work agreements.

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.

- This work began with legal counsel on this in October, 2024.
- The review is complete, and I have a formal legal opinion on which positions are not in compliance with the Fair Labor Standards Act (FLSA)
 - All affected employees have been noticed.
 - Fringe benefits will be transitioned for all affected employees.
 - A plan was approved at the April 1, 2025 Governing Board meeting. [Here](#) is a link to that agenda item in BoardDocs.
 - When work agreements are issued for FY26, the affected employees 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.
 - Review of each job description when there is a change/update to a job description prior to it going to the Governing Board for approval.
- 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.