



AUDIT HIGHLIGHTS

SUSD Compensation Practices

April 23, 2024

Audit No. 2413

WHY WE DID THIS AUDIT

The Scottsdale City Auditor's office performed this audit on behalf of the Scottsdale Unified School District No. 48 through Intergovernmental Agreement (IGA) 2021-023- COS-A1 approved by City Council and the District Governing Board. The audit objective was 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.

BACKGROUND

Employee classification and compensation are managed by the Human Resources department and related policies are adopted by the District Governing Board. Policy guidance is provided by Board-approved employment agreements, employee contracts, job descriptions, salary schedules, and Governing Board policies.

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WHAT WE FOUND

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

With some exceptions, most employees were paid according to compensation policies. Exceptions included:

- Inconsistencies in the years of experience applied and Return-to-Work status for a small portion of newly hired teachers.
- Fifteen classified employees were placed in the wrong pay grade for their position, and several supplemental pay amounts were not approved by the Board.
- System tables were not aligned with approved salary schedules.

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

- Some employee groups are not covered by an employment agreement or other policies, and positions within employee groups have not been defined, increasing the risk for inconsistent application of policies.
- Administrator employment contract forms could be simplified and include certain missing terms.

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

- Two leave plans, applied to a few employees, did not align with policy.
- Five had inaccurate leave accrual rates.
- Additionally, leave plans for 45 employees did not align with their employment information.

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

- About 20 descriptions do not align to salary schedules, and 5 positions do not have job descriptions.
- Certain positions may not qualify for overtime exemption and should be further reviewed.

WHAT WE RECOMMEND

We recommend the Superintendent direct staff to:

- Implement stronger controls to ensure accurate salary placement and correct the identified errors.
- Develop classification and compensation policies for all employee classes, simplify administrator contracts.
- Align leave plans with policy and perform periodic reviews of job descriptions.

MANAGEMENT RESPONSE

The department agreed with the recommendations and provided an action plan for implementing them.