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The Classification of Financial Managers An Inter-jurisdictional Study

A Position Paper

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Executive Summary

Background

A presentation was made by ACFO representatives to the Comptroller General of Canada, Mr. Charles-Antoine St-Jean, on March 7, 2006. In that presentation, ACFO identified and raised a number of technical issues with respect to the current FI Classification Standard, one of which was the number of levels used to classify financial managers in the Public Service.

ACFO's research indicated that the current four level structure does not meet today's needs and that a new structure of six levels would be more appropriate. As part of the presentation, comparisons were made to other groups in the Public Service to illustrate the logic of the proposed structure. Mr. St-Jean asked how the current and proposed structures for the FI Group compared to those in other jurisdictions; at that time, ACFO did not have an answer but it committed to developing an answer to Mr. St-Jean's question.

Definition of Financial Manager

Data was obtained from seven other jurisdictions on the classification of financial managers/accountants, or more specifically, the group of another jurisdiction closest to the FI Group of the Public Service of Canada, to identify whether the current four level or proposed six level structure for the FI Group were in line with practice in other jurisdictions.

Jurisdictions

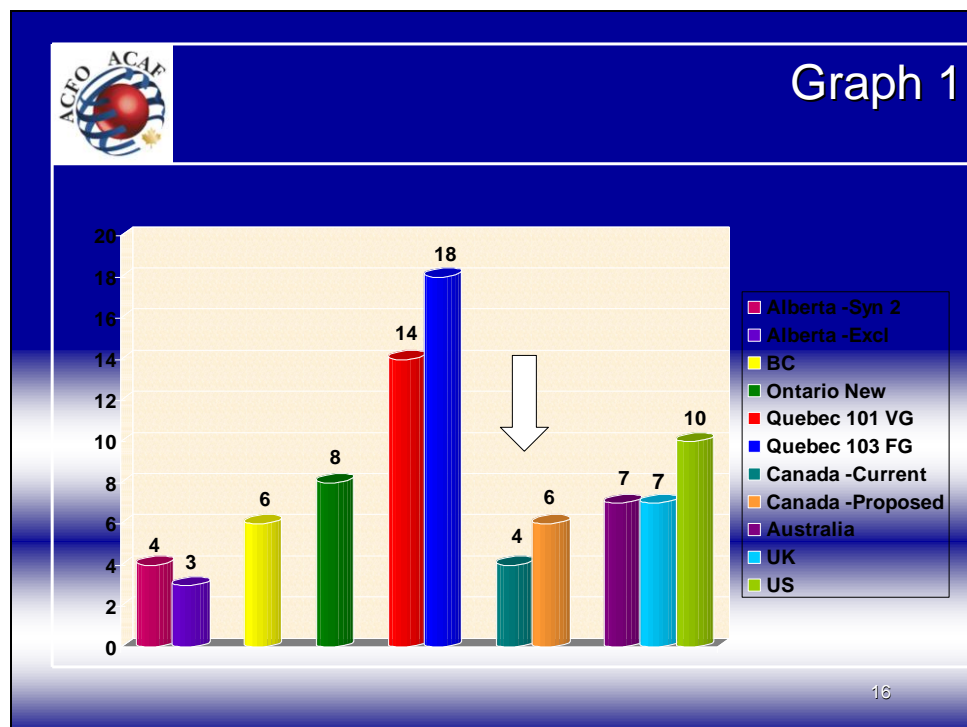
Jurisdictions included in this study were those of British Columbia, Alberta, Ontario, Quebec, Australia, the United Kingdom and the United States of America.

Number of Levels

The number of levels used for the classification of financial managers in various jurisdictions does vary to some extent, reflecting the size of the public service

involved and the role of the financial management group or accounting service involved. Two other factors that also come into play are the general approach to the classification of the public service in question and the approach to career management used for the target group.

Graph 1 below provides a snapshot of how the various jurisdictions included in this study compare. The legend to the right notes that from left to right are the classification levels of financial managers for Alberta (unionized and excluded), British Columbia, Ontario, Quebec (two groups), Canada (current and proposed), Australia, the United Kingdom, and the United States civil or public services.



What is clear from this snapshot is that amongst national government financial management classification systems, the Canadian FI Group with either its current four levels or the proposed six levels is the classification system with the lowest number of levels.

What is equally clear is that in comparison to the classification levels of financial managers in Canada's two largest provinces, the Government of Canada's FI Group's four levels or six levels is the lowest number of levels.

It is only when compared to either Alberta or British Columbia that the Government of Canada's FI Group classification structure of four levels actually finds some similarity, and the proposed six level structure is only greater than the



structure of Alberta.

So when the current four levels or the proposed six levels for the Canadian Public Service's FI Group are compared to the averages of either those of the national governments alone, of the provincial governments alone, or of all seven jurisdictions, the classification structure of the FI Group is below that of any of these average figures.

Relationship of Professional Levels to Executive Levels

In most jurisdictions there appears to be a complex transition from the highly skilled financial manager/advisor to the executive manager of the financial service. In part this is because of two factors: the different classification and pay processes for the two groups and the need to have expertise at the highest level of competency and experience which can be valued as much or more than some of the lower level executive/management positions.

The end result is that in most jurisdictions there is an overlap between the highest levels of professional financial management experts, and the lowest levels of executive management. The report does not provide specific examples, but directs the reader to the detailed information by jurisdiction for specifics.

Conclusion

It is fair to conclude that while it is true that each jurisdiction establishes a classification and pay administration for its financial managers designed to suit its purposes, there are some common factors that transcend individual jurisdictions. Two of the factors that are common to all jurisdictions are the evolving field of financial management and the need for career management of those carrying out financial management.

The evolving field of accounting/financial management is increasingly moving towards either common practice, or transparency of conversion from the accounting practices of one jurisdiction to those of other jurisdictions. This is clearly reflected in the recent creation of the Global Accounting Alliance of which Canada is a signatory.

The need for career management is present in all jurisdictions and the classification regimes in all the jurisdictions considered in this report are in a state of evolution. At the same time it is clear that there is a tendency to use higher numbers of levels in the classifying of financial management positions, and not



lower numbers. The FI Group of the Public Service of Canada is already below the average for all jurisdictions.



Background

On March 7, 2006, representatives of ACFO made a presentation to Mr. Charles-Antoine St-Jean, the Comptroller General of Canada, and to a number of his senior staff on the need for a reform of the classification standard for the Financial Management (FI) Group of the Public Service of Canada¹.

In that presentation, ACFO identified and raised a number of technical issues with respect to the current FI Classification Standard, one of which was the number of levels used to classify financial managers in the Public Service.

ACFO's research indicated that the current four level structure did not meet today's needs, and that a new structure of six levels would be more appropriate. ACFO argued that there was strong support from both its members and from senior financial management for a restructuring.

Comparisons in the ACFO study were made to other groups in the Public Service to illustrate the logic of the proposed structure. Mr. St-Jean asked how the current and proposed structures for the FI Group compared to other jurisdictions; to this ACFO did not have an answer at that time, as that had not been part of the scope of the February, 2006, study.

The Association committed to Mr. St-Jean that it would look in to that question and get back to him.

The Board of Directors of ACFO approved the terms of reference for the conduct of an inter-jurisdictional comparison of the classification of financial managers on March 25, 2006 to be carried out by Philémon Paquette, Ph.D., with the requirement that the report be presented to Mr. St-Jean by early June 2006.

¹ See *Classification Renewal for the Financial Management (FI) Group in the Public Service of Canada, A Position Paper*. (Ottawa: ACFO-ACAF). February 2006



Methodology

The methodology proposed for this study was for the consultant to:

1. Obtain data on the classification standard used, classification structure and pay levels of the group(s) most comparable to the FI Group in the United States Civil Service, the Civil Service of the United Kingdom, and the Public Services of the Governments of British Columbia, Alberta, Ontario, and Quebec (and include to the extent possible the relationship of the accounting/financial management group to the executive and other groups in these other jurisdictions) through contact with key officials in each of these jurisdictions by telephone, e-mail, and/or fax to identify the data required; and
2. Prepare a report demonstrating the most common structures used, their variances across these jurisdictions and how the current and proposed FI Group structures compare to those of these other jurisdictions; that is, to identify whether the proposed six level structure for the FI Group is in line with practice in other jurisdictions.

During the course of the study, it was suggested that Australia be added as an additional jurisdiction for comparison, both owing to early difficulties in obtaining information on the United Kingdom civil service, and owing to the fact that the Treasury Board Secretariat officials managing the development of the Universal Classification Standard (from 1989 through 2002) had frequently cited the Australian experience as a source of their inspiration.

Furthermore, in the application of this proposed methodology it was discovered that for several jurisdictions a significant amount of data was available on the Internet. This proved to be true for Alberta, Quebec, the United States Office of Personnel Management, the Australian Public Service, and the United Kingdom.



Comparison of Jurisdictions

Definition of Financial Managers

In seeking groups for comparison, the request provided to other jurisdictions was to find the classification levels of their accountants or financial managers; those are the professional group involved in finance and not the clerical staff or the managers who also do finance.

The definitions of the groups in some cases were provided in the web site for that jurisdiction and in other cases where the information was obtained through oral discussion, it was by mutual understanding.

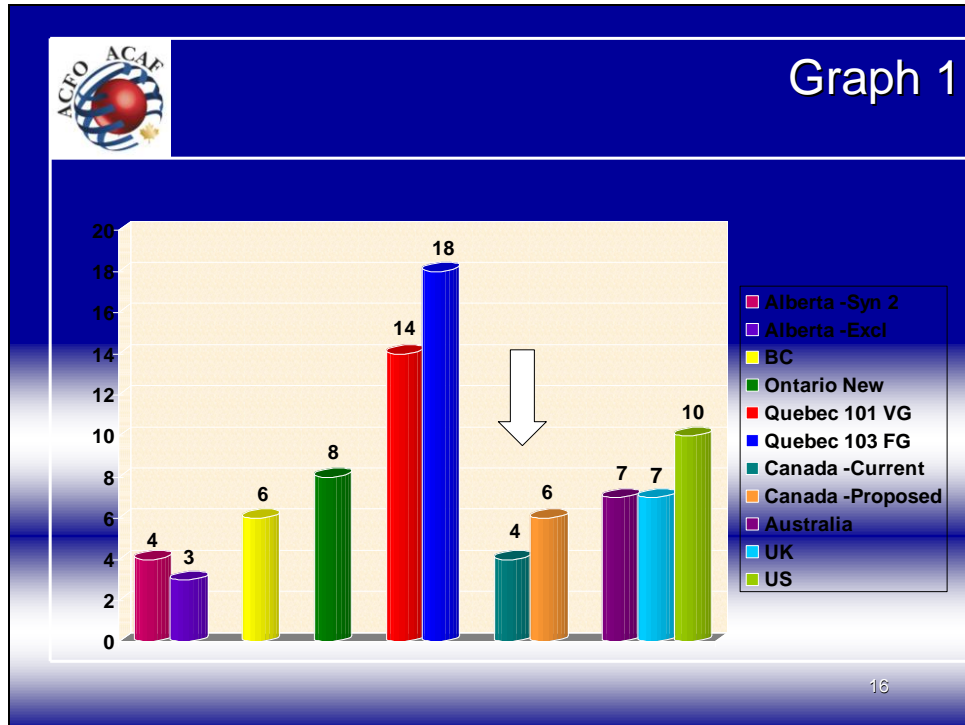
All groups included in this study are comparable. If the classification standard of any particular jurisdiction were to be used as a basis for the reform of the Government of Canada's FI Group classification, then the definitions would have to be carefully reviewed to ensure complete equality of the concepts used.

Number of Levels

The number of levels used for the classification of financial managers in various jurisdictions does vary to some extent reflecting the size of the public service involved and the role of the financial management group or accounting service involved. That being said, two other factors that come into play are the general approach to the classification of the public service in question and the approach to career management used for the target group.

Graph 1 below provides a snapshot of how the various jurisdictions included in this study compare.

The legend to the right notes that from left to right are the classification levels of financial managers for Alberta (unionized and excluded), British Columbia, Ontario, Quebec (two groups), Canada (current and proposed), Australia, the United Kingdom, and the United States civil or public services.



What is clear from this snapshot is that amongst national government financial management classification systems, the Canadian FI Group with either its current four levels or the proposed six levels is the classification system with the lowest number of levels.

What is equally clear is that in comparison to the classification levels of financial managers in Canada's two largest provinces, the Government of Canada's FI Group's four levels or six levels is the lowest number of levels.

It is only when compared to either Alberta or British Columbia that the Government of Canada's FI Group classification structure of four levels actually finds some similarity, and the proposed six level structure is only greater than that of Alberta.

Rather than comparing the Government of Canada's FI Group to individual services of other governments, another perspective can be gained by considering the FI Group's four or six levels to the averages across jurisdictions.

This is shown in Table 1 below.

Table 1
Financial Management Classification Structures



Average (arithmetic mean) Number of Levels

Range of Jurisdictions Included	Value
Across All Jurisdictions	7.9
National Governments (less Canada)	8
National Governments including Canada (4 levels)	7
Canada Mean	7.1
Canada Mean (using one Alberta and one Quebec group: 103)	8

The first row “Across All Jurisdictions” is the arithmetic mean of all groups considered; that is two groups for Alberta, one for British Columbia, one for Ontario, two for Quebec and one each for Australia, the United Kingdom and the United States. Thus it does not include Canada.

The second row, “National Governments (less Canada)” is the arithmetic mean of Australia, the U.K. and the U.S. again excluding Canada

The third row, “National Governments including Canada” is the same as for the second row, but factoring in the four level FI Group of Canada, which naturally lowers the average.

The fourth row, “Canada Mean” includes all provincial groups in row one, plus the current four level FI Group.

The fifth row, “Canada Mean (using one Alberta and one Quebec group: 103)” is the same as the fourth row but using only the Alberta positions in the bargaining unit, and Quebec’s group 103 (Agente ou Agent De La Gestion Financière), i.e. financial managers.

As can be seen, whether a Government of Canada FI Group of four or six levels is considered, the classification structure of the FI Group is below that of any of these average figures – even when the FI Group is included which lowers the mean.



Relationship of Professional Levels to Executive Levels

In most jurisdictions there appears to be a complex transition from the highly skilled financial manager/advisor to the executive manager of the financial service. In part this is because of two factors: the different classification and pay processes for the two groups, and the need to have expertise at the highest level of competency and experience which can be valued as much or more than some of the lower level executive/management positions.

The classification process issue is simply that:

1. Non-executive professionals are classified under one classification standard and paid based on a concomitant pay program which is typically bargained collectively;
2. The executive level professionals are classified under a separate classification standard and paid on a concomitant pay program that is typically granted after a process of reviewing relativity with the private sector; and
3. These two processes are not coordinated because they are separate and consequently produce an overlap at the higher range of the non-executive group with the lower range of the executive group.

The expertise issue is that there are a number of highly experienced experts who are required to serve as advisors on highly specialized areas. These individuals typically have risen through the ranks either as specialists in a specialized area, or have risen through the management ranks in a number of financial specialties and have become the most seasoned, most knowledgeable, individual in one or more areas of financial management or accounting. In order to retain these individuals and permit them to “think and advise” rather than “manage and advise”, the classification and pay process is structured to permit payment for essentially a purely advisory role at a rate of pay equal to or greater than some executive management positions to meet the needs of the civil service creating these positions.

Generally, the classification of executive positions (to increasingly higher levels) is based on two major factors: the position having an increasingly broad or complex mandate, and the position requiring an increasingly broader knowledge.

The highest levels of expertise in financial management and accounting are typically reflective of a profound depth of knowledge of a few fields of accounting or financial management as they relate to management and the strategic direction of organizations. What this reflects is great depth rather than breadth.



Consequently what is valued for the specialist to rise (depth in a narrow field – finance), is essentially a weakness in executive valuation.

As this report is focused on the classification levels of financial managers and accountants, an in depth analysis of the issue of transition is beyond the scope of the report. At the same time, it is clear that this issue plays a part in the classification and pay of the senior specialists in the financial management service.

This report will not provide specific examples of either of these factors at this stage, but directs the reader to the detailed information by jurisdiction for further detail.



Conclusion

At this point it is fair to conclude that while it is true that each jurisdiction establishes a classification and pay administration for its financial managers designed to suit its purposes, there are some common factors that transcend individual jurisdictions. Two of the factors that are common to all jurisdictions are the evolving field of financial management and the need for career management of those carrying out financial management.

The theoretical basis for financial management, accounting and auditing is basically the same across all jurisdictions. The administrative practices in how financial management, accounting and auditing are applied, does vary across jurisdictions. However, that being said, there is a movement of the accounting institutes around the globe to work more closely together to ensure that financial statements are comparable across jurisdictions. This movement is clearly being given physical form in the formation of the Global Accounting Alliance formed in April of this year by some nine professional bodies including the American Institute of Certified Public Accountants (AICPA), the Canadian Institute of Chartered Accountants (CICA), the Hong Kong Institute of Certified Public Accountants (HKCPA), the Institute of Chartered Accountants in Australia (ICAA), the Institute of Chartered Accountants in England and Wales (ICAEW), the Institute of Chartered Accountants of Scotland (ICAS) and the Institute of Chartered Accountants in Ireland (ICAI), the New Zealand Institute of Chartered Accounts (NZICA), the South African Institute of Chartered Accountants (SAICA).

The need for career management is present in all jurisdictions. The apparent issue is: what is the appropriate number of levels required. However, the answer to that question is not apparent, nor is it fixed. In looking at the classification regimes in the four provinces of Quebec, Ontario, Alberta and British Columbia, and in the national governments of the United Kingdom, Australia, and the United States – all of them are in various stages of evolution. What is clear is that the tendency is to a higher number of levels to their classification structures rather than to a lower number, and those with the lowest numbers and lowest salaries mentioned the difficulty in recruiting qualified professionals.



Appendix A: Information by Jurisdiction - Canada

Alberta

The Government of Alberta has no single financial management group as such but has an eight level professional financial management with essentially three components.

1. Finance positions which are part of Subsidiary 2, represented by a bargaining agent with four point bands in the job ladder;
2. “Opted out and excluded” financial management positions in two classification series -both paid the same salaries:
 - a. Auditors, with three levels (point bands)
 - b. Budget Officers, with three levels; and
3. Management pay plan financial management positions

The “auditors” in Alberta are specialists in audit, which the “budget officers” are responsible for budget planning and allocation, both groups essentially focused on the financial management of the government.

All positions are evaluated/classified using a modified Hay Plan.

Senior Financial Management and Senior Finance Officers can overlap significantly with the salary range of the lowest managerial level positions as can be seen in the tables below. All salaries are as of April 1, 2006. Titles shown are those of benchmark positions available on the Alberta Personnel Administration Office website (www.pao.gov.ab.ca).

In the “Grade” column is included (in brackets) the Hay Plan points for each level, which, while modified for the purposes of the Alberta Public Service, makes this particular set of classification levels much more easily compared to other jurisdictions. It also permits a clear image of the overlap between the highest level specialist positions and the executive positions as well as between the Opted Out and Excluded financial management positions and the Subsidiary 2 financial officers.



Management Job Evaluation Plan

Rank	Title	Role	Grade	Salary (\$)
8	13294 ADM, Tax and Revenue Administration	Executive Manager II	Band 4 (1301-1700 pts)	119,652 to 157,044
7	31532 Executive Director Corporate Services	Executive Manager I	Band 3 (906-1300 pts)	97,836 to 128,568
6	13399 Senior Manager, Banking and Cash Forecasting	Senior Manager	Band 2 (641-905 pts)	70,368 to 105,492
5	18069 Finance Manager, Contract Administration	Manager	Band 1 (350-640 pts)	53,904 to 83,964

Financial Management (Opted Out and Excluded Group)

Rank	Title	Role	Grade	Salary (\$)
3	513BO1 – General Ledger and Consolidation Specialist	Senior Specialist and Supervisory: Auditor or Budget Officer	Financial Management Level 3 (439-518 pts)	61,884 to 81,564
2	512AU01 Auditor	Full Working Level (Seasoned): Auditor or Budget Officer	Financial Management Level 2 (371-438 pts)	49,536 to 68,028
1	511BO02 Entry Level Budget Officer	Entry and Intermediate: Auditor or Budget Officer	Financial Management Level 1 (269-370 pts)	40,260 to 59,400



Subsidiary 2 – Financial Officers (Bargaining Unit)

Rank	Title	Role	Grade	Salary (\$)
4	024FN12 Team Leader, Senior Trust Officer	Finance Officer Level 4	Pay Grade 71 (371-438 pts)	56,340 to 74,016
3	023FN13 Senior Accountant	Finance Officer Level 3	Pay Grade 67 (314-370 pts)	51,444 to 67,464
2	Example: 022FN04 Assistant Finance Administrator	Finance Officer Level 2	Pay Grade 61 (269-313 pts)	44,916 to 58,908
1		Finance Officer Level 1	Pay Grades 53-57 (228-268 pts)	38,208 to 53,892

This information was obtained largely from the Personnel Administration Office of the Alberta Government (www.pao.gov.ab.ca) with additional comment and advice from Gloria Letwin, the Manager of Classification (tel: 780-408-8445.)

British Columbia

Financial positions within the Province of BC are either included in a bargaining unit, and evaluated at pay grades 7 to 30 using the Public Service Job Evaluation Plan (PSJEP) or are excluded from the bargaining unit and considered to be management positions, ranging from levels 1 to 12. Management positions are evaluated/compensated by applying a different evaluation system.

Financial positions can range from financial processing and administration (at the bottom end of the PSJEP) to strategic planning (at the top end of the management compensation system). Generally speaking, the financial management stream of positions can be described using nine levels, as noted in the table below. Those with a “grade” defined as a “level” are rated using management evaluation/compensation, while those with a “pay grade” are part of a bargaining unit.



Rank	Title	Role	Grade	Salary (\$) pa
9	Comptroller General	ADM – Government’s top finance officer	Level 11	\$114,491.85
8	Executive Financial Officer	Top financial officer in a ministry – functionally responsible to the Comptroller General	Level 9 or 10 depending on complexity of ministry	\$104,409.38 to \$109,380.96
7	Senior Financial Officer	Senior financial officer of relatively large organization (e.g. ministry)	Levels 6, 7, or 8 depending on complexity of organization	\$82,035.46 to \$95,294.56
6	Financial Managers	Financial manager for a specialty program	Pay grade 30 or Levels 4 or 5 depending on complexity	\$70,872.11 to \$76,235.54
5	Senior Specialist or Team Lead	Leaders of working level professionals	Pay grade 27	\$65,156.98
4	Financial Specialist (e.g. Auditor or Accountant)	Working level professional	Pay grade 24	\$59,479.95
3	Senior Financial Analyst	Senior working level Analyst or entry-level specialist	Pay grade 21	\$54,334.88
2	Financial Analyst	Working level Analyst	Pay grade 18	\$49,672.72
1	Junior Financial Analyst	Entry level Analyst	Pay grade 14	\$44,224.49

This description of the classification of financial managers in British Columbia was provided by telephone by a Senior Compensation Specialist, Cheryl Biggs (250-387-0254) at the request of Tom Egan, the Government of British Columbia’s Director of Compensation Services (250-387-0139).



Ontario

Financial specialists in the Ontario Public Service (OPS) provide controllership, financial analysis and advice, and business planning and analysis to government decision-makers.

They are currently undergoing a rebalancing of accountabilities for financial management. The new model will generally increase the demands for Ministries to provide financial analysis and strategic financial advice to Ministry decision-makers while maintaining accountability to central agencies, which are themselves undergoing restructuring.

Ministry Finance Directors generally report to the Ministry's Chief Administrative Officer, who would be an Assistant Deputy Minister.

A Finance Director's branch includes: Senior Managers and managers; financial specialists who provide analysis and advice; and operational support including transaction processing. Financial specialists are represented by the Association of Management, Administrative and Professional Crown Employees of Ontario (AMAPCEO), while operational and administrative support staff are represented by the Ontario Public Service Employees Union (OPSEU).

AMAPCEO-represented financial specialists are not required to hold an accounting designation. Many job specifications include a requirement for expertise in accounting and financial analysis normally obtained by the course of study included in accounting designations, Master of Business Administration, Master of Public Administration or equivalent education and experience.

The Ministry of Finance includes an Internal Audit Division that provides audit services to the OPS. Financial specialists may, during their career with the OPS, hold a position in the Internal Audit Division.

The classification structure for AMAPCEO-represented positions is currently undergoing a significant change from numerous, overlapping classifications and pay scales to eight levels. These new classifications will apply to all AMAPCEO-represented positions, including policy analysis, I&IT professionals, financial



specialists and others. Lawyers in the OPS are not represented by AMAPCEO.

A financial analyst who joins the public service with some experience would typically start at the “AFA17” classification, which has a pay range of approximately \$54,000 - \$66,000. A more senior financial analyst would have a pay range of approximately \$63,000 - \$82,000. First-level managers typically earn \$69,000 - \$90,000. These pay ranges do not include benefits, pensions or merit increases. Please review the Public Sector Salary disclosure on www.gov.on.ca for information on public servants earning \$100,000 per year or more.

This information was provided by Chris Lambert, Ontario Ministry of Finance (tel: 416-325-1313.)

Quebec

Financial specialists working for the Government of Quebec were redefined by the Directive on the Classification of Work of the Public Service and Its Management² published in 1998. Financial specialists are grouped into the “Famille d’emplois de l’administration financière”, or the family of fields of specialization that comprise financial administration.

This family of work is composed of thirteen fields which are as follows:

- 101-04 Agent du vérificateur general, stagiaire
- 101- Agent du vérificateur general
- 103- Agent de la gestion financière
- 132- Évaluateur agréé ou agent d’évaluation foncière
- 206-10 Technicien en vérification fiscale
- 206-05 Technicien principal en vérification fiscale
- 209-10 Agent vérificateur principal
- 222-10 Technicien en évaluation de dommage et de responsabilité civile
- 260-10 Technicien en évaluation foncière
- 260-05 Technicien principal en evaluation foncière
- 285-15 Agent stagiaire de recouvrement fiscal
- 285-10 Agent de recouvrement fiscal

The fields of specialization with a code in the “100” range are professional fields or occupations; these are agent of the auditor general (101), agent of financial management (103), and appraisers (132). For the purposes of this study, the

² This is a translation by the author of the original title: Directive concernant la classification des emplois de la fonction public et sa gestion. ISBN:2-550-33527-9



auditors and financial managers would be the two groups of most interest, with the financial managers, (group 103), that of the most interest.

According to the pay scales (échelles de traitement) for these two groups:

1. The auditors have fourteen levels with a pay range from \$41,533 at level one, to \$64,870 for level 14 as of March 31, 2006; and
2. The financial managers have eighteen levels with a pay range of from \$33,931 at level one, and \$62, 475 at level 18

These professional groups are essentially paralleled by a separate supervisory classification which has ten levels with a pay range of from \$34,779 to \$46, 475 for the lowest level of supervision (grade 10), and pay range of from \$96,326 to \$125,155 at the top level of supervision (grade 1).

This information was obtained from the web site of the Secrétariat du conseil du trésor of the Government of Québec (www.tresor.gouv.qc.ca). The web site itself is quite rich in detail in terms of what is shown here. Unfortunately the site on classification as such was under reconstruction and pointed to the Directive as a summary of where classification was heading, and a number of attempts to obtain clarification from an official on the Québec public service classification system were not successful.

Appendix B: Information by Jurisdiction - World

Australia

The Australian Public Service (APS) moved to a common, or universal, classification system under the *Public Service Classification Rules 2000 (Classification Rules)*. The Classification Rules provide the framework for classification management arrangements in the APS. The purpose of the Classification Rules is to enable employees and duties to be classified under a common APS-wide classification system.

The system is controlled centrally by the Australian Public Service Commission, but applied by individual ministries and is composed of eleven levels:

1. Six (6) APS Levels (APS)
2. Two (2) Executive Levels (EL)
3. Three (3) Senior Executive Service Levels (SES).

There does not seem to be a classification standard for financial managers as such, but the technical knowledge required of financial management, i.e. accounting and financial audit, appear to be part of the Administrative Service Officer Group (ASO). This group is composed of six (6) Administrative Service Officer classes and Senior Officer Grades C, B and A.

Based on the Classification Rules, the actual classification of a position would be based on the Group standard and the APS to arrive at an APS rating. Clarification on this point has been requested from Canberra, but at time of writing the relationship of the ASO Group classification standard to the APS, EL and SES has not been clarified.

If the accounting or financial management service is in fact incorporated into the ASO, then it would appear from the characteristics of the work carried out that the six ASO levels and the Senior Officer Grade C would likely constitute the financial specialist work stream. Subject to clarification then, it can be postulated



that the Australian Public Service has seven levels of financial management positions.

At the same time, the three SES levels actually have two profiles, one as a manager, and the other as a specialist; this means that there is the possibility that a highly seasoned expert in accounting or risk management or some other field with government-wide implications could be classified at this level. However, until some clarification is obtained from Canberra, that is all that can be said.

On salaries, or more accurately “pay bands”, while the Australian Public Service Commission’s web sites (www.apsc.gov.au and www.workplace.gov.au) provided the above information, the only salary information found was from another site (www.wagenet.gov.au), which provided the Australian Public Service Award of 1998. For comparison purposes, later data would be required.

The above information was obtained from the web sites noted above and consultation with R. Andrew Clarke, Research Officer, Australian High Commission, Ottawa (tel: 613-236-0841.) Requests for further information have been submitted to Mr. Clarke and transmitted to Canberra, but at time of writing a response had not been received.

Canada

The Financial Management Group (FI) of the Canadian Public Service currently has four levels (FI-01 through FI-04) with the FI-04 deemed to be an executive level (EX) minus one. This four level structure was a surprise restructuring in 1987 and is considered by many, both in ACFO and among the senior financial managers of federal departments, as being too few for operational and career management purposes.

Over the past forty years the FI Group has evolved from a largely financial administration (transactional) focus to a professional (risk management and challenge) focus. Its structure has evolved as various commissions of inquiry or royal commissions (Glascoe, Lambert, and now Gomery)³ have reviewed financial management in the Public Service of Canada and recommended changes. The following demonstrates the changes as they occurred:

³ See **Classification Renewal for the Financial Management (FI) Group in the Public Service of Canada. ACFO-ACAC. February 2006** for a review of this evolution and the references.



1. Group formed (post Glascoe) in 1966 with up to eight levels (benchmarks for seven levels only), with Level 7 an SX-01 equivalent;
2. Lambert-Driven new benchmarks in 1981 with seven levels; Level 7 an SX-01 equivalent;
3. 1987 standard developed from 1981 benchmarks restructured to four levels where:
 - a. old 1-3 become new FI-01
 - b. old 4 became new FI-02
 - c. old 5 became new FI-03
 - d. old 6 became new FI-04 and EX minus 1
 - e. old 7 had been converted to the Management Category with level determined on conversion (For some groups positions converted were later reconverted to their original groups and levels).

Current rates are under negotiation, but for comparative purposes, the rates of pay for the contract which expired November 6, 2004 is as follows.

Level	Range
FI Developmental	\$ 22,379 to \$ 41,141
FI-01	\$ 41,854 to \$ 57,561
FI-02	\$ 50,947 to \$ 67,757
FI-03	\$ 64,466 to \$ 81,475
FI-04	\$ 71,997 to \$ 91,124

The Senior Full Time Financial Officer of a federal agency can be an FI-04 for a smaller agency, an Executive Level 1 (EX-01), Level 2 (EX-02), or Level 3 (EX-03), depending on the size and complexity of an agency. The Senior Financial Officer or Chief Financial Officer of an agency is typically the Assistant Deputy Minister Corporate Services which is typically an Executive Level 4 (EX-04).

The source of this information is two previous studies of the financial management community of the Public Service of Canada carried out for ACFO:

1. *Classification Renewal for the Financial Management (FI) Group in the Public Service of Canada, A Position Paper*. (Ottawa: ACFO-ACAF). February 2006, 31 pp.; and
2. *Classification Reform for the Financial Administration (FI) Group in the Public Service of Canada*. (Ottawa, ACFO-ACAF). December 2002, 74 pp.



The United Kingdom

The Government Accountancy Service (GAS) is the British government’s financial management specialty group, and comes under HM Treasury.

The GAS is a seven to nine level service. That is, the GAS is composed of seven “grades” and two Senior Civil Service levels (PB1 and PB2). HM Treasury’s web site is quite extensive in its detail on these three levels of the GAS (<http://thegas.treasury.gov.uk>)

Data on the first seven levels, or grades, of the GAS have been requested but responsibility for pay for civil servants below the SCS is delegated to individual departments, so the picture varies from one department to another and a response to a request on how this data can be obtained has not been received.

While data on the salary bands for the seven “grades” is not available, that for the two SCS levels included in GAS are, and they are as provided for 2005 at the UK web site <http://www.civilservice.gov.uk/management/performance/scs/index.asp> :

SCS Pay Band	£ (minimum to maximum) (2005)	Canadian Dollar (12/05/06 mid-market rate 2.10145 CAD)
PB1	£ 54, 778 to £115,616	\$115,145 to \$ 243,000
PB2	£75,607 to £159,659	\$159,659 to \$ 335,516

This information was obtained through the assistance of a number of people and organizations, including:

1. Mark Clarke and Christine New of the Chartered Institute of Public Financial Accountants, and Martin Jennings of IPF Statistical Service (under contract to CIPFA) ;
2. Doug Stokoe of the British High Commission in Ottawa
3. Rachel Nasrallah of the Chartered Institute of Management Accountants;
4. Clare McErlane and Michael Bourke of Beamans Management Consultants (the company responsible for delivering Job Evaluation Grading Support training to civil servants and others;
5. Bill Fitzmaurice of the UK Cabinet Office (the stewards of the UK Civil Service job evaluation framework (Cabinet Office, Employment Policy & Practice (020-7276-2230; william.fitzmaurice@cabinet-office.x.gsi.gov.uk))
6. Terry Rogers Finance Professionalism team, HM Treasury (Responsibility for the finance "profession" rests with HM Treasury) (0207 270 5874) (terry.rogers@hm-treasury.x.gsi.gov.uk), and



7. Alamgir Khan, Policy Adviser, Parliamentary & Senior Pay Team, CDG/Employment & Reward Directorate, Cabinet Office (responsible for reward for civil servants in the Senior Civil Service (SCS) - the top 4000 jobs (Tel: 020 7276 1525; Fax: 020 7276 1669 ; Email: alamgir.khan@cabinet-office.x.gsi.gov.uk)

The United States of America, Office of Personnel Management

The Accounting and Budget Group, GS-0500, is the United States Federal Government's financial management professional and administrative work specialty group as defined in the US Office of Personnel Management *Handbook of Occupational Groups and Families*. GS-0500 is composed of a number of job series, specifically:

GS-0501	Financial Administration and program
GS-0510	Accounting
GS-0511	Auditing
GS-0512	Internal Revenue Agent
GS-0526	Tax Specialist
GS-0560	Budget Analysis

As part of classification reform in the late 1990s, all job evaluation was restructured to be brought into compliance with the *Human Rights Act* requirements for pay equity. Under classification reform, classification standards, such as the *Job Family Position Classification Standard for Professional and Administrative Work in the Accounting and Budget Group, GS-0500*, were revised to reflect evaluation based on nine factors:

Factor 1	Knowledge Required by the Position
Factor 2	Supervisory Controls
Factor 3	Guidelines
Factor 4	Complexity
Factor 5	Scope and Effect
Factor 6	Personal Contacts
Factor 7	Purpose of Contacts
Factor 8	Physical Demands
Factor 9	Work Environment



Rating under this standard will determine a level of from GS-05 to G-15 based on the nine factors.

As can be seen in the table below which provides the latest data available for the GS-0500 Group's population, there are occupants of positions for all ten grades, although for all practical purposes, the distribution of the positions is concentrated in the upper eight or six levels.

Extract of USOPM TABLE W-D2 Full-Time Civilian General Schedule (GS) Employment by Occupation, Gender, Grade, Median Grade, and Average Grade, September 30, 1999

			5	6	7	8	9	10	11	12	13	14	15	Median Grade	Average Grade	
0501	A	FINANCIAL ADMINISTRATION AND PROGRAM	8,359	17	1	269	5	1,297	20	2,053	2,337	1,425	592	343	12.0	11.54
		WOMEN	5,288	15	1	197	4	1,039	12	1,455	1,476	748	240	101	11.0	11.21
0505	A	FINANCIAL MANAGEMENT	1,158	...	1	1	...	2	...	11	283	336	313	211	13.0	13.35
		WOMEN	393	...	1	1	...	2	...	5	110	112	112	50	13.0	13.18
0510	P	ACCOUNTING	11,379	65	...	397	3	877	22	2,034	3,627	2,605	1,316	433	12.0	11.95
		WOMEN	5,721	49	...	298	2	607	12	1,196	1,886	1,112	457	102	12.0	11.55
0511	P	AUDITING	11,097	57	...	384	...	376	...	516	4,980	3,236	1,138	410	12.0	12.25
		WOMEN	3,846	38	...	229	...	221	...	233	1,878	965	222	60	12.0	11.81
0526	T	TAX TECHNICIAN	3,224	8	...	37	...	2,837	...	190	146	6	9.0	9.23
		WOMEN	2,222	5	...	30	...	1,926	...	134	123	4	9.0	9.26
0560	A	BUDGET ANALYSIS	12,093	44	...	349	5	2,833	18	3,224	2,729	1,761	735	395	11.0	11.22
		WOMEN	8,756	33	...	280	5	2,274	12	2,481	1,981	1,156	389	145	11.0	11.02



Base salaries and wages for GS positions, including the GS-0500 Group positions are as shown in the table below.



2006-GS

INCORPORATING THE 2.10% GENERAL SCHEDULE INCREASE

EFFECTIVE JANUARY 2006 Annual Rates by Grade and Step

Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
1	16352	16898	17442	17983	18527	18847	19383	19925	19947	20450
2	18385	18822	19431	19947	20169	20762	21355	21948	22541	23134
3	20060	20729	21398	22067	22736	23405	24074	24743	25412	26081
4	22519	23270	24021	24772	25523	26274	27025	27776	28527	29278
5	25195	26035	26875	27715	28555	29395	30235	31075	31915	32755
6	28085	29021	29957	30893	31829	32765	33701	34637	35573	36509
7	31209	32249	33289	34329	35369	36409	37449	38489	39529	40569
8	34563	35715	36867	38019	39171	40323	41475	42627	43779	44931
9	38175	39448	40721	41994	43267	44540	45813	47086	48359	49632
10	42040	43441	44842	46243	47644	49045	50446	51847	53248	54649
11	46189	47729	49269	50809	52349	53889	55429	56969	58509	60049
12	55360	57205	59050	60895	62740	64585	66430	68275	70120	71965
13	65832	68026	70220	72414	74608	76802	78996	81190	83384	85578
14	77793	80386	82979	85572	88165	90758	93351	95944	98537	101130
15	91507	94557	97607	100657	103707	106757	109807	112857	115907	118957

This is referred to as the “base” salaries and wages owing to the fact that under the US federal pay administration there are a number of regional and other factors that will come into play in determining the specific pay range for a particular position, depending on where it is located geographically.

Complicating this picture is the fact that if the responsibilities of a position for supervision constitute at least twenty-five percent of the time of a position, and



earns at least a level three (3) for supervision, when being rated then the position is rated under the General Schedule Supervisory Guide. This shifting from rating under one standard to rating under the General Schedule Supervisory Guide while generally leaving the rated position at the same level under both guides, but will not necessarily do so, since one of the factors under the Supervisory Guide is the level of the individuals the subject position is responsible for supervising.

Thus the transition from a professional to the supervisor, manager, or executive under this classification administration program begins when supervision becomes a significant part of the work of the position.

As can be seen in viewing Salary Tables 2006-SL/ST for employees in senior-level (SL) and Scientific or Professional (ST) positions, which shows the minimum salary for these positions as of January 2006 as \$109,808, and the maximum as \$143,000, the overlap in the US Civil Service between the SL/ST positions and the GS positions is held to step seven of the GS-15 pay scale. This same point of overlap exists for positions of the Senior Executive Service (SES), and no overlap exists between the GS and the Executive Schedule basic pay rates, which starts at \$133,900 for Level V EX positions as of January 2006.

The above information was obtained largely from the US Office of Personnel Management's web site on classification: <http://www.opm.gov/fedclass/>. Specific documents used were:

1. **Introduction to the Position Classification Standards**, US OPM, TS-134, July 1995, TS-107 August 1991. 76 pp.
2. **The Classifier's Handbook**. USOPM TS-107 August 1991. 45 pp.
3. **General Schedule Supervisory Guide**. USOPM hrcd-5 June 1998, April 1998. 30 pp.
4. **Handbook of Occupational Groups and Families**. USOPM, August 2002. 158 pp.
5. **Position Classification Standards for White Collar Work**. In USOPM Federal Classification and Job Grading Systems.
6. (<http://www.opm.gov/fedclass/html/gsseries.asp>)
7. **Job Family Position Classification Standard for Professional and Administrative Work in the Accounting and Budget Group, GS-0500**. USOPM December 2000. 109 pp.
8. **Memorandum for Heads of Executive Departments and Agencies: Changes in Pay Administration Rules for General Schedule Employees**. USOPM May 26, 2005 (<http://www.opm.gov/oca/compmemo/2005/2005-10.asp>).
9. **Salary Table No. 2006-EX, Basic Rates of Pay for the Executive Schedule**, Effective January 2006. (<http://www.opm.gov/oca/06tables/html/ex.asp>)



This was supplemented by advice obtained from Frank Milman, a classification specialist with the United States Office of Personnel Management (202-606-2021). In addition, while I did obtain the name of a contact to explore the transition from the professional level positions to the executive level, Kuay Crowler, Chief Executive Resources, 202-606-1579, in spite of several exchanges of messages, we were not able to connect to explore this issue.