

Classification Reform for the Financial Administration (FI) Group in the Public Service of Canada

A discussion paper on the roles, responsibilities, and
classification of the financial administration community
of the Public Service of Canada

prepared by

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For the

Association of Public Service Financial Administrators

(The views expressed in this paper are those of the
author and do not necessarily reflect those of APSFA)

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EXECUTIVE SUMMARY

This study was commissioned to provide a basis for redefining the perception, roles, responsibilities career path and classification of the various members of the financial administration community in the Public Service of Canada.

It is a comprehensive study in the sense that it looks at the complete working and professional environment of what is known as the Financial Administration (FI) Group. The study was carried out during the month of November 2002 and was based primarily on a review of written materials from the Treasury Board Secretariat, the Association of Public Service Financial Administrators, the Public Service Commission, the Office of the Auditor General, the Privy Council Office, Human Resources Development Canada, a number of Canadian accounting organizations, the United States Office of Personnel Management, and a number of other sources, including the case work of the author in classification issues with respect to the FI Group. It also included interviews with a small number of senior executives in the Treasury Board Secretariat and in line departments.

The study takes as its focus the definitions and policy guidance to the Public Service of Canada by Treasury Board's Comptroller General Branch, and the Privy Council Office for the implementation of modern comptrollership, the financial information strategy and accrual accounting and budgeting, and the implications of these for the Financial Administration Group, and for the broader financial management community of the Public Service of Canada.

The study brings into greater focus a number of issues that arise from the above, the changes required to address these issues, possible solutions and action steps to implement these changes, and a notional structure for a revised FI Group to serve as a jump-off point to bringing resolution to the confusion regarding the role and nature of the group of financial specialists required to provide the greatest potential for an expedited achievement of the objectives of modern comptrollership and the financial information strategy.

The issues. Among the issues identified are the following.

- 1 There is confusion regarding whether the FI Group are administrators and consequently not professionals, or are a professional group in that the current classification standard reflects a perspective and category allocation of an administrator with no particular rigorous knowledge requirements, while the selection standards used call for professional credentials. This poses problems for training, career planning, and role assignment by other public servants.
- 2 The current selection standard applied to the FI Group is designed for the Financial Administration Group as defined in 1987 and for which there is a classification standard, but Treasury Board recently negotiated a contract with APSFA for the Financial Management Group as defined in 1999, for which there is no classification standard – so either a new classification standard is required for the Financial Management Group, or

or a new contract is needed for the Financial Administration Group.

- 3 In all the literature on modern comptrollership, there is no clear definition of what constitutes the “financial specialists” who must work with managers to implement modern comptrollership and the financial information strategy.
- 4 The universe that includes all the financial specialists that constitute the financial management community of the Public Service of Canada includes positions classified as EX, FI, AS, ES, and CR, as well as in other groups, but it is not clear what should constitute the core group of professional financial specialists within this universe.
- 5 Whatever competencies are established for a redefined FI Group, or core group of financial specialists, must also be applied to the other positions in the universe of financial specialists, albeit to varying degrees as necessary for this larger group to be able to work in partnership with managers to ensure the implementation of modern comptrollership and accrual accounting and accrual budgeting.
- 6 There is a dichotomy between the published requirements for credentials and knowledge of federal government auditors of the provincial governments, municipal governments, and private sector, and the published requirements for those responsible for the financial management of the Public Service of Canada. From outside the Public Service, this appears to be a case of “do as I say, not as I do”, and in the post Enron, WorldCom, world it is a questionable position to hold.
- 7 The current classification standard for the FI Group does not explicitly reflect the legal requirements under Section 11 of the Human Rights Act for the evaluation of work under the four factors of responsibility, knowledge/skills, effort, and environment.
- 8 The current four level structure of the FI Group no longer reflects the needs of the Public Service of Canada, in that the current structure does not reflect
 - a. the new roles required of financial specialists under the changes brought on by integrated financial systems, modern comptrollership, enhanced financial reporting, accrual accounting, etc.
 - b. the model structure of other professional groups within the Public Service of Canada, and of the accounting and audit profession in the private sector
 - c. a structure that serves the career development of financial specialists in the Public Service of Canada.

The Changes required:

There are four major areas of change required with respect to the FI Group in particular but to

the body of financial specialists in general to support the implementation of modern comptrollership, and the achievement of the objectives of this new approach to management of resources and results in the Public Service.

1. Changes must be made to transform the concept of financial administrators to one of professional financial managers and reflect this in modernized benchmark work descriptions
2. Changes must be made with create a professional development and career path for all of the financial specialists of the Public Service of Canada focused primarily on the current FI Group, but in their broader role as financial managers
3. Changes must be made with respect to the knowledge requirements, selection standard, and structure of the financial management community of the Public Service of Canada, to serve the entire financial management community, and all the different streams (and classification groups) that make up the community
4. A new classification structure and standard must be created for the core financial specialists, the current FI Group, revised to include all of the roles and responsibilities of specialist financial managers required for the implementation of modern comptrollership the financial information strategy with likely more steps than the four of the current standard

– and, new financial support must be provided for the development of the financial management community by Treasury Board and by the Departments and Agencies, to achieve the above

Finally, the study proposes a set of eight initiatives, which, if undertaken, would address the issues identified, and launch the changes required to reform the classification of a revised FI Group of the Public Service of Canada to achieve a successful implementation of modern comptrollership and accrual accounting as desired by Treasury Board, by the Privy Council Office, and by Parliament.

Purpose:

The purpose of this study is to provide the basis for redefining the perception, roles, responsibilities career path and classification of the various members of the financial administration community with emphasis on the current FI Group, but in the context of the larger financial management community in the Public Service of Canada.

To this end, the study will provide

1. an assessment of the appropriateness of the current view of the financial administration community in the Public Service of Canada, and identify changes required to update the perception of the financial administration community
2. an assessment of the appropriateness of the current professional development and career path of members of the financial administration community of the Public Service of Canada and identify changes required in the current professional development program and career management program of the financial administration community
3. an assessment of the appropriateness of the current knowledge requirements, selection standard, and structure of the financial administration community of the Public Service of Canada and identify changes required in the knowledge requirements, selection standard, and structure of the financial administration community
4. an assessment of the appropriateness of the current classification structure and standard applied to the financial administration community of the Public Service of Canada, i.e. the Financial Administration Group (FI) of the Administration and Foreign Service Category and identify changes required in the classification structure and standards applied to the financial administration community.
5. recommendations on possible courses of action to implement the changes identified in the first four steps, as well as a preliminary plan of action to bring about the changes sought, including the identification of possible sources of funds to implement the plan.

Background and Approach:

Why this discussion paper, and why now.

With the cancellation of the implementation of the Universal Classification System (UCS) in May of 2002, the effort to address the shortcomings in the ability of the UCS to adequately reflect the complexity of the work involved in modern comptrollership, and in particular in accrual accounting, the Public Service of Canada was left with the classification standard for the

FI Group published in 1987¹.

Treasury Board did change the definition of what it called the FI Group twice in the past using the Public Service Reform Act, of 1992. It did so first for the implementation of the Universal Job Evaluation Plan (UJEP) in 1993, and then for the implementation of the Universal Classification System UCS in 1999. However, in both cases this was done without considering the implications for the broader financial management community, or for the description of the broader financial management function work descriptions: it was only done to expedite the implementation of the UJEP, and then the UCS.

The 1999 definition of the FI group calls it the Financial Management Group² with significant changes to what these positions do³ – but this was an administrative change without significant consultation with the community at large, and was not translated into a review of the 1987 benchmark work descriptions, or the way the FI positions should be written or evaluated under the 1987 classification standard, since both UJEP and UCS had their own writing guidelines and evaluation methodology. The end result being, that with the collapse of the UCS, the FI Group has continued to be evaluated on an unchanged basis that does not reflect the requirements of the Public Service today for financial management, and where elements of the 1999 definition have been incorporated into some current work descriptions, they cannot be evaluated, or rewarded, with the classification tools available today.

From the point of view of the APSFA Executive, to have to fall back on a classification standard, with a group definition, implicit selection standard, factors, weighting, and benchmark descriptions that predate the concepts of modern comptrollership, of the adoption of accrual accounting, of integrated financial systems, of the implementation of the concepts of information management, data-warehousing, and the adoption of the concepts of the management of modern knowledge organizations by the Public Service (e.g. **PS 2000**, and its successor **La Relève**) would be detrimental to the membership of APSFA, and would impair the implementation of modern comptrollership itself and in particular of accrual accounting and accrual budgeting in the Public Service of Canada.

With the Treasury Board Secretariat suggestion in May of 2002 that post-UCS, classification reform would proceed on a selective basis, the Executive of APSFA commissioned this study to clarify the issues relating to the classification of the financial management community⁴ in the

¹*Classification Standard. Financial Administration*, Administrative and Foreign Services Category. Treasury Board of Canada Secretariat. 1987

²See Annex O for the 1999 Group definition.

³See Annex P for the Group Definition as it appears in the 1987 Classification Standard

⁴The term “financial management community” is used here both in a broader sense than suggested by the 1999 Treasury Board Group Definition, and to suggest that “financial administration” is no longer appropriate as a title for the function being carried out, that is, to concur with Treasury Board proposal of 1999 that the term “financial

Public Service of Canada, and point up possible solutions which could then be used as a basis for taking action.

This paper will look at the definition of modern comptrollership in the Public Service of Canada, at the implications of the Financial Information Strategy and accrual accounting on the financial management community in general and on the financial administration (FI) group in particular, on the approach to financial management through the construction of the financial management community in the Public Service of Canada, on the issues for the classification of the FI group related to these three factors, and a suggested plan of action to address these issues.

While the primary focus of this study is the definition and classification of the current financial administration group(FI) in the Public Service of Canada, it must of necessity be a study of the broader concept of the financial specialist in the Public Service of Canada in order to define with precision what is meant by the term “financial specialist” as used in the Treasury Board documents defining modern comptrollership, that is:

- what is the body of knowledge that is required,
- what professional recognition is required,
- what functions are these positions responsible for.

Once the universe of “financial specialist” is defined, a further set of questions must be addressed:

- what part of that universe must meet the highest professional standards,
- what part need not have the highest professional standards, and consequently
- what part of this universe should be in one classification group as a redefined FI group, and what part could constitute a sub-set of other classification groups (if any).

These are critical issues for informing the implementation of modern comptrollership and accrual accounting, and classification is one of the key tools for addressing them. As a reminder, classification is a management tool, one of the management systems that assist managers to achieve optimality in the allocation of their human resources. If the human resources defined as “financial specialists” are appropriately selected, trained, assigned, and given the authority to act in accord with some standard, financial management in the Public Service of Canada can be all that the Parliament of Canada, and the people of Canada can ask for. And, if they are not appropriately selected, trained, assigned, and given the authority to act in accord with modern standards , financial management in the Public Service of Canada will be less than what is required by the Parliament of Canada and what is required by the people of Canada, and

management” is a more appropriate title for the core group of financial specialists responsible for financial management in the Public Service of Canada. However, in the process of broadening the definition of this core group of financial specialists, it will be seen that there are positions currently classified in a number of different groups, which might be more appropriately be classified either in one group of financial specialists, or as unique streams in a broader financial management family of occupational streams, as will be seen below.

“modern comptrollership” will be another “idea of the day” that failed.

What is modern Comptrollership?

Modern comptrollership, to cite the Treasury Board Secretariat⁵, “*is a reform focused on the sound management of public resources and effective decision-making...*” “*it is a catalyst for change and one of the key priorities on the Government’s modern management agenda. It involves changes in the corporate culture of the Public Service*”. Stated another way, from the same source: “*Modern comptrollership aims to provide managers with integrated financial and non-financial performance information, a sound approach to risk management, appropriate control systems, and a shared set of values and ethics.*”

To understand some of the implications of this concept for financial management in the Public Service, again, we turn to the Treasury Board Secretariat to find out what is the difference between modern and traditional comptrollership:⁶

“Government comptrollership, in the past, had been seen as the sole responsibility of financial staff. Its main focus was recording and reporting financial transactions and making sure government organizations made only authorized transactions”

“With Modern Comptrollership, the Government is looking beyond departmental accountability in terms of controlling individual financial transactions and just making sure the numbers line up in the right column. The responsibility and focus rests in the hands of departmental managers.

“It is about transforming the way managers and financial specialists co-operate, enabling managers with tools to help prioritize, plan and meet operational goals and to achieve better results. Managers and financial specialists need to work in partnership to replace complex rules and regulations, which constrain flexibility, with simple, well-communicated and properly enforced principles and standards.”

There are many ways that Modern Comptrollership is being promoted, and is being implemented. One of the key ways is as one of the four pillars of the Clerk of the Privy Council’s ***Deputy Minister Performance Agreements Corporate Priorities for the Public Service of Canada for 2002-2003***. In that context, Modern Comptrollership becomes more than

⁵TBS Website, Frequently Asked Questions - “What is Modern Comptrollership?” (http://www.tbs-sct.gc.ca/cmo_mfc/faq_e.asp)

⁶TBS Website, Frequently Asked Questions - “What is the difference between modern and traditional comptrollership?” (http://www.tbs-sct.gc.ca/cmo_mfc/faq_e.asp)

a concept or guideline, but a contractual agreement. It is worth citing what PCO has to say on the matter to Deputy Ministers:⁷

We need a more holistic approach to achieving high quality results for Canadians by integrating the principles of modern comptrollership into the overall management of your business lines, including the management of human resources. Building on progress to date, continued personal leadership and attention are needed to further strengthen management practices within your department by achieving demonstrable improvements in:

- 1. linking financial and non-financial information and ensuring integrated performance information is used in decision-making and reflected in reporting to Parliament;*
- 2. identifying, assessing and managing corporate risks, with a focus on proactive management in areas of highest risk;*
- 3. acting on reviewing, assessing and instituting appropriate systems of control as needed and ensuring delegations of authority are appropriate;*
- 4. ensuring employees are supported and reflect a rigorous approach to public service values and ethics in the conduct of their work.*

In summary, what Modern Comptrollership will deliver is

- integrated financial and non-financial performance information,
- a sound approach to risk management,
- appropriate control systems, and
- a shared set of values and ethics.

And, this will be delivered through a partnership of managers and financial specialists.

Control

It is worth taking a moment to review what is meant by control. The Canadian Institute of Chartered Accountants defines control as follows⁸:

“Control is a very broad concept. It encompasses all of the elements of an

⁷ PCO web site, www.pco-bcp.gc.ca

⁸ As published in *Report of the Independent Review Panel on Modernization of Comptrollership in the Government of Canada*. Ottawa, 1997. Page 46 (quoted from the CICA 1995 “Guidance on Control”)

organization – its resources, systems, processes, culture, structure and tasks – that, taken together support people in achieving the organization’s objectives. Control is much broader than the traditional internal control over financial reporting, compliance, and asset safeguarding.”

In order for managers and financial specialists to partner as equals in implementing modern comptrollership, it is evident that both the general manager and the financial specialist would require a sound understanding – each from their own perspective – of this much broader concept of what is being controlled.

To this end, the ***Report of the Independent Review Panel on Modernization of Comptrollership in the Government of Canada*** provides an illustration of required senior financial officer competencies:⁹

“There are a number of areas where senior financial officers require depth of experience resulting in mature competence in order to play the lead role described. Illustrative, but not all inclusive, of these areas of competency are the following:

- *management accounting*
- *risk management*
- *budgeting*
- *financial management, planning, and analysis*
- *financial accounting*
- *non-financial performance reporting*
- *business planning.”*

The question is, do the members of the financial management community of the Public Service of Canada have the depth of experience, the mature competence, the specialized knowledge required to serve as the feeder group to the positions of senior financial officers, or to provide the expertise required to permit the senior financial officers to do the job?

The answer is clear that not all of the people serving in the various roles involved in financial management have the credentials called for. The clarity of this answer is derived from a number of statements.

In June of 2000, the Standing Committee on Human Resources Development and the Status of Persons with Disabilities, in its Final Report on Human Resources Development Canada Grants and Contributions, made the following recommendation (p.4):

HRDC should ensure that it has the necessary expertise to administer grant

⁹Ibid., p. 47

and contribution programs and that the department allocates more resources to hiring and training financial administrators with appropriate educational and professional qualifications.

In December of 2002, the Auditor General of Canada, in her report to the House of Commons made the following recommendation in Chapter 5:

The Comptroller General of Canada should develop a strategy and action plan for improving the representation of professional accountants in the positions of senior financial officer and senior full-time financial officer.

And, in response, the Treasury Board Secretariat stated: “... *The government intends to study the profile of its entire financial community, and the concern expressed by the Auditor General will be given full consideration in succession planning.*”

Further, speaking with a number of senior full-time financial officers, in November of 2002, the suggestion was made that the way to ensure that Senior Financial Officers (SFO's) and Senior Full-Time Financial Officers (SFFO's) do have professional credentials is to ensure that the feeder group to these positions have professional accounting credentials, and that they could not see any basis for an SFFO not to have professional accounting credentials. Given the role of the SFO¹⁰, they argued, if a new appointment is to be made, given the multiplicity of functions for which a SFO is responsible, there is only one of those functions that requires professional credentials, and that is finance. Therefore if the SFFO's all have accounting credentials, it should become a foregone conclusion that the most qualified individual to be appointed to an SFO position would be a credentialed SFFO – as opposed to say a human resources specialist, an IT specialist, or an executive from some other specialized background.

This issue of credentials or the lack thereof will become even clearer below.

The Financial Information Strategy and Accrual Accounting

In addition to the issues raised by modern comptrollership, there is a concurrent factor that has serious implications for the knowledge requirements and skills of the financial management community; that is, the introduction of the new financial information strategy in April of 2001, and in particular of accrual accounting. To understand why this has profound implications for the community, consider the following from the *Financial Information Strategy Accounting*

¹⁰ A fuller discussion of the SFO and SFFO is presented below in notes when dealing with the EX positions which form part of the financial management community.

Manual¹¹

With the full implementation of the Financial Information Strategy on 1 April 2001, departments will be required to account for economic events specific to their department on: a) an accrual accounting basis; b) an authority basis to identify the appropriations or other authorities; and, c) an objects of expenditure basis. Although there may be similarities amongst these three requirements, there are many differences. ...

Accrual accounting recognizes transactions when the underlying economic event occurs, not just when cash is received or paid. ...

The objective of accrual accounting is to ensure that events that affect a department's financial statements are recorded in the periods in which they occur, rather than in the periods in which the department uses its appropriation. Accrual accounting means recognizing revenue when earned (rather than when cash is received) and recognizing expenses when incurred (rather than just when paid). Over the long run, trends in expenses and revenues, since they reflect the underlying economic consequences of operating decisions for a time period are generally more meaningful than trends in payments and cash receipts or charges to an appropriation.

The accrual basis provides users with information about such matters as the resources controlled by the department, the cost of its operations and other information useful in assessing its financial position and changes in it over a particular time period, and in assessing whether a particular organization is operating economically and/or efficiently.¹²

One of the key implications of this new approach to financial information and accrual accounting is that the financial specialists that are supposed to be working in partnership with program managers in the Public Service, are now required to both gather information and prepare financial statements, not just representing the cash transactions entered into, but the economic activities which will have an impact on the finances of the departments. To do this requires a far greater understanding of the operations of the departments, of the various ways and means that economic activities of the department can give rise to a financial implication, and provide both advice on the wisdom of such economic activities, presumably ex-ante (that is before the activity is entered into), as well as ex-post (that is, after the economic activity has been entered into, and the financial impact is known). This has significant implications for the knowledge and skills

¹¹ Treasury Board of Canada Secretariat. http://www.tbs-sct.gc.ca/dcgpubs/accstd/fisam-mcssif-0701-1_e.html 11/14/02 13 pp.

¹² Ibid. pp 7-8.

that the financial specialist has to acquire and bring to bear on the work to be done¹³. It moves the role of the financial specialist well beyond being able to enter and track transactions in the sense of traditional book-keeping and the straight-forward, if complex, rules of accounting and public sector reporting, moves the role of the financial specialist much closer to the concept of financial management (see Annex M) that is somewhat broader than the TBS 1999 definition of the Financial Management Group (see Annex O), and puts in question the current group definition¹⁴, factors assessed, and benchmark work descriptions of the FI Group classification standard (see Annex N).

The Financial Community of the Government of Canada

In order to define what should constitute the “financial specialist” under modern comptrollership, it is necessary to define what the universe of financial management in the Public Service includes – that is, who are the “financial specialists” that are supposed to work in partnership with managers.

In the post ENRON, WorldCom, world, there is no question that a publicly held corporation would have to have a chief financial officer advising the chief executive officer, Chair of the Board of Directors and the Board of Directors on the soundness of the financial position of the firm, on its financial statements, and on its financial plans for the future. In support of this Chief Financial Officer would be a range of financial analysts, financial planners, business planners, financial accountants, risk management specialists, and other financial specialists working in partnership with the functional or operational managers of the firm.

In the Public Service of Canada, there exists a financial management community that is somewhat parallel to that of a private firm, but with significant differences.

The financial management community responsible for serving as the specialist partner in modern comptrollership of the Public Service of Canada includes those individuals involved in all aspects of financial management that relate to modern comptrollership. This would include, according to the National Occupational Classification¹⁵ individuals in such positions as controllers, directors of accounting, finance directors, managers of financial control, managers of financial planning and analysis, managers of internal audit services, and treasurers.

¹³The complexities of what knowledge has to be acquired is well illustrated in an article by Prof. Raili Pollanen published in the *FMI Journal* of the Financial Management Institute (“The Importance of Financial Statements and Reporting for the Government of Canada” *FMI Journal*, v. 13, no 3 (Spring/Summer 2002), pp. 27-30) where she cites the implications and importance of the approaches to financial accounting for new financial accounts and reports of governments, and on the increased skills and competencies required drawn from a number of references, including Frank Claydon. – albeit Mr. Claydon focuses on the increased training that will be required by managers.

¹⁴ In this instance, the group definition in the 1987 Classification Standard, not the 1999 group definition.

¹⁵NOC 2001 code 0111 - Financial Managers

Looking at the Public Service, this would include

- executives (EX group) involved in financial management (accounting and audit) and business planning including the preparation of plans and reports as part of main estimates and public accounts for Treasury Board and for Parliament, e.g. the ADMs and Directors General of finance, or finance and administration, or corporate services, and the Directors General of program planning
- financial administrators (FI group) involved in accounting, financial management, financial auditing, financial planning, business planning, risk analysis, financial and cost analysis, the preparation of plans and reports as part of main estimates and public accounts for Treasury Board and for Parliament
- administrative services specialists (AS group) involved in business planning, financial management, internal audit, financial planning, risk analysis, financial and cost analysis, the preparation of plans and reports as part of main estimates and public accounts for Treasury Board and for Parliament
- economists (ES group) involved in business and strategic planning (including corporate environmental analysis to identify key factors affecting the economic activities of the organization and their financial implications), financial management, financial planning, risk analysis, policy and program evaluation, financial and cost analysis, the preparation of plans and reports as part of main estimates and public accounts for Treasury Board and for Parliament
- auditors (AU group) involved in the financial auditing of organizations external to the federal government, e.g. provincial governments, municipal governments, private firms, etc.

This constitutes the community of financial specialists involved in the management of the finances of the Government internally or externally, a community that is on the order of seven to ten thousand individuals, not counting the financial clerks (CR) who carry out much of the detailed data entry, data transfer, and data verification required by the financial management specialists (and present a problem of their own in relation to the financial management community¹⁶).

¹⁶They pose a problem on their own in the sense that up until at least the 1970's an individual could be hired as a junior clerk, trained on the job as a payroll clerk or financial clerk, and with training move on to become a financial officer. The reality of today is that financial and payroll clerks may be trained on the job to some extent, but they have no place to go in finance as the basic qualifications for a financial officer have been de-facto raised significantly, essentially closing the door on the financial clerks; to advance, they must change fields. Looking at the private sector, the NOC shows that the basic requirements for code 1231, Bookkeepers (see Annex J), 1431 Accounting and Related Clerks (see Annex K), and 1432 Payroll Clerks is secondary school plus completion of college courses in accounting, if not a full college program. All the US OPM classification standard (*Job Family Position Classification Standard for Clerical and Technical Accounting and Budget work, GS-0500* .OPM,

Consequently, it is on the professional expertise of this group of individuals that the managers in the Public Service of Canada must rely to work in partnership with them to develop and implement modern comptrollership, and on which the potential effectiveness of modern comptrollership itself depends.

Do all of these individuals, do the incumbents of all of these positions, have the qualifications to do the job necessary?

EX Positions

In the case of the executive (EX Group) positions, having a recognized accounting designation, is not normally a requirement of the position. It is usually the case with respect to Directors General of Finance, but not for the ADM Finance. In fact, it is rare to have an Assistant Deputy Minister of Finance only – the mandate is typically for Finance and Administration. Yet, it is the ADM Finance or Finance and Administration who sits on the Deputy Minister's executive committee speaking as the financial expert. Operationally, of course, the DM can have the Director General Finance attend those meetings at which specific finance questions are on to be addressed – but does that reflect the spirit of modern comptrollership, if there is no financial specialist sitting at the table to work in partnership with the other senior managers, and offer sober second (financial) thought to the operational managers when they are discussing policy and program issues that will likely have financial implications down the road. Treasury Board does not seem to be clear on this issue with its concepts of Senior Financial Officer and Senior Full-time Financial Officer¹⁷.

HRC4-4, December 1997) states is that these positions require a practical knowledge of accounting, budget, or other financial management related functions with procedural knowledge in carrying out the goals of their organizations; they do not require a broad understanding or application of professional knowledge acquired through university education or specialization (see p.3). The issue still remains: how does the Public Service acquire new people to enter into these jobs – jobs which will be transformed more than any other in the financial community by new financial information systems, and the increased integration of data entry and management. And, what kind of career path can be designed (if any) for individuals in these positions. This will be discussed further below under issues for the FI Group.

¹⁷In the TBS policy on Comptrollership (*Comptrollership, Chapter 1-2: Policy on Responsibilities and Organization for Comptrollership*, http://tbs-sct.gc.ca/pubs_pol/dcgpubs/tbm_142/1-2CM1E.html) it is stated that the deputy head must appoint a senior financial officer (SFO), and the SFO must have a direct reporting relationship to the deputy head. However depending on the size of the organization the SFO may delegate his or her authority for key financial responsibilities to a Senior Full-time Financial Officer (SFFO). By title alone, it would seem that the SFO is a part time financial specialist under this concept, which does not seem consistent with the accountability and the accounting issues arising from modern comptrollership, accrual accounting, and the other complications arising from the new financial information strategy. One of the apparent reasons for this split of SFO and SFFO is that the SFO may be an Assistant Deputy Minister who does not have an accounting designation, where such a designation would be required of the SFFO. In discussions with a number of experts, it became clear that the SFO concept is much closer, in practice, to the private sector concept of the Chief Operating Officer (COO), than it is to that of the CFO, but is not identical to the COO in that it is not usually the number two position in the hierarchy of the organization. It was also discovered that at one time there was an unwritten rule that given that the SFO would not necessarily have an accounting designation, the SFFO would, but it appears that with the new executive

FI Positions

In the case of the financial administrators (FI Group) the current classification standard does not require an accounting designation or a financial analyst designation¹⁸, albeit, more than half of the group have accounting designations. Since 1989¹⁹, the selection standard published by the Public Service Commission has required for the FI level 1, two years of post secondary training in accounting “or another specialty related to the position being staffed), or successful completion of the Level 2 of the training program offered by a recognized Canadian professional accounting association, and for an FI2 level 2 or above, has required university graduation with an acceptable specialization in accounting or some other specialty relevant to the position being staffed, and experience related to positions in the “Financial Management Group”, or eligibility for a recognized professional accounting designation.

One problem with this selection standard is that it does not reflect the current requirements for professional competencies in accrual accounting and other financial management disciplines required for the financial information strategy and modern comptrollership for all members of the financial management community. Another problem with this selection standard is that it is not reflected in the current Financial Administration Group classification standard, and that there is no classification standard for a group called the “Financial Management Group” – albeit the FI Group benchmarks are used for classifying the positions being staffed using this selection standard.²⁰

development programs of the Public Service of Canada, this unwritten rule, is no longer being applied with rigour. Regardless, the most pertinent issue for this study is up to what level is a professional accounting designation required in the broader financial management community of the Public Service of Canada, since this will define one major parameter determining the potential career path of financial specialists in the new FI Group (i.e., the minimum level requiring accounting credentials to the highest level requiring accounting credentials), the knowledge requirements, and the benchmark positions that must be identified for each of the identified levels of financial specialists as a result of modern comptrollership, and more importantly of accrual accounting.

¹⁸The classification standard for the FI Group is allocated to the Administrative and Foreign Service Category for which neither a degree nor a professional designation is required, as opposed to the Scientific and Professional Category, where these are basic mandatory requirements (i.e. either a degree in a specialized field or a professional designation). Therefore by being allocated to the Administrative and Foreign Service category, Treasury Board is stating that neither are required, and these are administrative positions, not professional positions in contradiction to the reality of today. This is discussed further below in the section on “Professionalism”.

¹⁹**Selection Standards.** Public Service Commission, August 1, 1989, or the PSC web site for group-specific selection standards: http://www.psc-cfp.gc.ca/staf_dot/stand_selec/group_e.htm

²⁰This confusion stems from the fact that the only operational classification standard for the FI Group is the 1987 standard for the “Financial Administration Group” with its own group definition, while in 1992 and 1999 Treasury Board redefined what was meant by “FI” for the Universal Job Evaluation Plan (UJEP) and then for the Universal Classification System (UCS), but never actually implemented either. Since no classification standard replaced the 1987 standard, the Public Service Commission continues to produce a selection standard to match that classification standard, but Treasury Board refers to the group as the Financial Management Group. It would have to be explored, but it appears that from a legal perspective, we have a group that has a classification standard, but no selection standard, and a selection standard that may not have a classified group.

Increasingly, today appointment to FI Group positions does require a degree and an accounting designation, and the new selection standard being developed for the financial community, calls for firmer, and even broader requirements²¹.

However while the average level of competency of the FI Group as a whole has been steadily increasing both owing to rising selection criteria, and the imperatives of the work, the current classification standard reflects neither of these factors.²²

The classification standard continues to reflect a low level of professional requirements stemming from the practice in the post World War II period up until at least the 1980's to train "bookkeepers" on the job, with few accountants as such being hired. In fact there was a tradition of individuals starting out as a financial clerk and working their way up to becoming a financial administrator, and practice that had ended with automation in the 1980's.²³ It was based on this tradition that classification standard was included in the Administrative and Foreign Service Category in 1968 rather than the Scientific and Professional Category, and the failure of the government to provide formal training to a professional level to those who were hired without what today are minimum credentials. The end result of this is that while the level of professional financial management or accounting services and advice that is required to serve as a partner to managers has increased significantly, and while many of the current financial administrators have acquired the knowledge and competencies to fully provide the services required, the broader management community has a bias to relegate these financial managers to subordinate roles, not to roles as professional specialist partners who understand their work and issues, and who should presumably be delivering a much broader range of services required to deliver on modern comptrollership and accrual accounting. This antiquated definition is reflected in the fact that the FI is a feeder group to the executive positions, but is not an equal to even the lowest level of the executive positions. Thus the core group of qualified professionals are seen in a narrow role, by others, are seen as not being professionals, and are thwarted in their attempts to serve in the role that modern comptrollership requires of them. They also only constitute some

²¹ See *Review of FI Selection Standard*. Treasury Board of Canada Secretariat. Presentation Deck, Undated (October 2002) for what is proposed. The reality is that the actual selection of candidates has moved well ahead of the selection standard (even if not reflected in the classification standard) in that according to some senior financial specialists, in the past ten years very few individuals have been brought into the FI community without a professional accounting designation, and well in excess of 90% of the FORD candidates have had accounting designations.

²² At the same time, if one looks at the Treasury Board/APSFA *UCS Reference Tool for Financial Officers* published in 2000, one finds work described closer to the 1999 group definition, but work that cannot be rated under the 1987 classification standard.

²³ Albeit it was, in part, the logic of opening the FII as a career step for senior financial clerks in the 1987 classification standard. This in turn had two implications: 1) it diluted the selection standard for the FI Group as a whole by creating a lower standard for FII's than it did for the higher levels; and 2) it perpetrated the perception of the FI as an administrative, and not a professional group since the entry level did not need professional credentials. It Also explains the dual role of the FII being a terminal level of the financial clerical or technical stream, and the entry level of the professional stream..

2,400 individuals out of the estimated 6,000 to 8,000 members of the universe that constitutes the financial management community²⁴.

AS Positions

In the case of the administrative services (AS Group) positions, there is no requirement for an accounting designation for an individual to qualify for these positions. And, it is estimated that there are at least 2,500 AS positions in the Public Service with significant responsibilities for financial management. The implications of this are that there are between a quarter and a third of the total financial community, (that is, the AS positions) that do not have the qualifications to be financial managers. We do not have hard numbers, albeit a request has been submitted to APSFA to obtain from the Public Service Commission and/or Treasury Board an accurate number, but this will be difficult to determine. There are a number of simple explanations for this extensive use of individuals who do not have accounting designations for carrying out financial management responsibilities.

The first is that financial management has been traditionally treated (and continues to be so under the current classification standard) as an internal administrative service, and not as a professional service, consequently administrators are sought (at a lower salary) rather than professionals

A second is that managers want to have someone who is responsible to them, not to a central financial authority, to produce and advise them on their financial plans and reports, to allocate funds as required, to identify variances, and all other aspects of financial management, and provide them with the information on which the manager can negotiate with central financial authorities on financial issues; this is a natural tendency, but administratively, in all federal departments, any FI Group position must report to the central financial authority. If a manager were to create an FI position to carry out her/his financial management responsibilities, that position would have to report to the central financial authority; so, if a manager creates a position where financial management is not the primary function of the position, the position can qualify as an AS. If the individual happens to have an accounting designation, all the better – but it is believed to be rare.

A third reason is that much of financial management within departmental organizations has been traditionally more a matter of rudimentary book-keeping, and could be included as one of “two or more” internal administrative services, and central financial authorities could create formal accounts from this rudimentary book-keeping. That has not been true for some time now, and will be increasingly impossible to do as financial management is increasingly automated, and managed on a more real-time basis: that is, the notion of having an informal book-keeping

²⁴This is not a hard and fast number but is constructed from the following notional estimates: some 200 EX positions, 2400 FI positions, 2500 AS positions, up to 800 ES positions, up to 1000 AU positions, up to 1000 CR positions, and up to 1000 positions in other groups (e.g. CS, PG, etc). A firm number of the members of this universe can only be constructed once the universe is defined and an actual count is taken.

system which feeds into a formal accounting system is obsolete, but the Public Service has built in management, hiring, and staffing practices that continue, and will not change until those practices are prohibited.

A fourth reason is that in order to hire someone to carry out financial administration without raising a red flag that this should be an FI Group position rather than an AS group position, “financial management” can not be the primary purpose of the position. As a consequence, once the position is created, finance is not the primary focus of the position, in particular if the original manager or incumbent leave. This either leads to less and less qualified individuals doing the work, or the financial administration receiving less focus than it should have, or ultimately inaccuracy in accounting terms of the financial accounts and report of the organization. The Auditor General has noted a few cases where this was the end result of the process.

A fifth reason is that in thirteen years (1989-2002) of a classification system in turmoil first with the planned reclassification of all Public Service positions under the Universal Job Evaluation Plan (the GE Conversion), and then under the Universal Classification Standard (UCS), classification officers were not trained to distinguish AS from FI positions, and “it didn’t matter” since all of the positions were going to be put under one standard; as a consequence many positions were both written and classified in a less than precise manner.

A sixth reason is that there are areas of expertise related to financial management that do not require an accounting designation, or even accounting or financial management training. An example of this is the facilities management specialist, some aspects of telephony services, and others. In these cases, the classification of the positions as an AS is appropriate, but these cases tend to be the minority of the AS positions to which we are referring.

To address the question of how many AS positions are carrying out responsibilities that should be carried out by professional financial managers, the Comptroller General has twice (in 2000 and 2002) asked departments to review their AS positions to determine if they have AS positions that, in reality, should be designated FI positions if properly described and classified..

ES Positions

In the case of the economist positions (ES Group) these are professional positions, and they are involved in financial management primarily in the micro-economic analysis of organizational and program efficiency, effectiveness and planning, or in the broader macro-economic analysis of economic trends and developments affecting policy and programs, and in policy development. They do not normally do accounting as such²⁵, but provide analysis and advice with respect to

²⁵Typical university programs for economists or political economists in Canada do not include training in accounting if part of a social science program, but may if part of a business or commerce faculty. In the United States since most economics programs are part of the business administration or like departments, economists trained in the United States are more likely to have training in accounting, if not even having an accounting

financial risk, program risk, policy risk, cost-benefit analysis, and all the components of what was called policy/program planning and budgeting – with the emphasis on the planning rather than the budgeting. This is a specialist role in the financial management community, and one which dominates the treasury role carried out at the Department of Finance, and complements the accounting role. There are on the order of a thousand economists working in these capacities²⁶.

AU Positions

If there is irony in the financial management community, it is this group, i.e. the External Auditors (AU) or tax auditors – to be more precise. The requirement for a professional accounting and/or audit designation is absolute. The auditors audit the financial accounts of organizations external to the Public Service, that is, the provincial governments, the municipal governments, the private sector for tax purposes.

Summary

As a consequence of this short review of the financial management community, it should be apparent that of the five groups involved in financial management the group with the highest requirement for professional accounting competency is the external auditors (AU), the group that audits everyone else's books, not those of the government. Actually, the Office of the Auditor General used this classification standard for its own auditors, and they do audit the books of the federal departments, but is it not apparent that the reason the financial management of departments wind up in question when any audit in depth is carried out, that there are too many individuals who do not have accounting designations, or formal accounting training, that are in fact managing the finances of the federal departments. With a more current group definition for the group defined as "financial specialist", a review of functions of positions in the above and other groups could determine more accurately which of these positions are truly "financial specialists" as defined for modern comptrollership and accrual accounting and budgeting, and those who are not "financial specialists" in this context, but may require significant training in financial management all the same²⁷.

designation.

²⁶This is an order of magnitude estimate that excludes those ES positions that are primarily concerned with statistical science or sociological studies.

²⁷The need for improved knowledge in financial management by all managers is critical, for unless the mind-set of the Public Service of Canada management cadre is retrained in what constitutes, what is the spirit of, modern comptrollership and accrual accounting and budgeting, it will leave the success of the program solely in the hands of the financial specialists, and if that it the case there cannot be a partnership between the two groups. This is the point of the recent article in *The Ottawa Citizen* by Kathryn May (Nov. 17, pp. A1, A4) on the arguments of the Hon. Lucienne Robillard for creating a Public Service super school to "address deficiencies in the "core" financial ... skills of many managers".

The issues for the FI Group:

This short review of what is modern comptrollership and of accrual accounting and their implications for financial management and financial managers in the Public Service of Canada, and what constitutes the financial management community in the Public Service of Canada, a number of issues have been and can be identified which must be addressed on a reasonably urgent basis, if the financial specialists in the financial management community are to be properly defined in a classification standard that identifies and assesses the competencies and responsibilities required if modern comptrollership initiative is to achieve its objectives.

1. The most senior levels of the financial management community, i.e. the ADM level Senior Financial Officer may not have accounting designations and as a consequence many of the chief executive officers of the various departments (i.e. Deputy Ministers) do not have a qualified accountant as a principal financial advisor as part of the highest level management team – does this support the most effective approach to implementing modern comptrollership and accrual accounting and budgeting, and what does this mean for the career paths of financial specialists²⁸
2. The most senior level positions (i.e., EX level positions) in the federal government do not have an accounting designation as a required qualification, nor even as a desirable qualification, and do not have training in accounting as a required or desired qualification – does this negatively impact on the career paths of financial specialists, and does this support the achievement of modern comptrollership, accrual accounting and accrual budgeting objectives?
3. In most departments, responsibility for serving as the most senior financial advisor to the Deputy Head (CEO) alone will not support appointment as an Assistant Deputy Minister (i.e. EX4 or EX5) – to a significant extent based on the fact that finance is interpreted narrowly as financial administration in the sense of the pre-modern comptrollership concept of financial management – and to what extent does this cap the career path of the

²⁸It is one of the curiosities of the Canadian National Occupational Classification that the code 0012 Senior Government Managers and Officials (see Annex D) only includes “assistant deputy minister” as a generic manager, but no chief financial officer, while under an equivalent level code for the private sector, 0013 Senior Managers - Financial, Communications, and Other Business (see Annex E), chief financial officer is clearly stated. What this reflects is the state of financial management in government versus that in the private sector, – chief financial officers, specialist advisors in finance, are not accorded the most senior level recognition in government that they do receive in the private sector. This is certainly less demanding than the SFO-SFFO structure permitted by Treasury Board. It was explained to me by one expert that there was consideration at one point to have the SFO’s have an accounting designation, but that was considered not necessary. It was also explained to me that the requirement in the United States that a CFO have an accounting designation is entrenched in law, whereas this is not true in Canada. The issue is not so much whether an SFO or SFFO must have an accounting designation, the issue is more to what level in the Public Service hierarchy does a financial specialist need an accounting designation in order to better define the potential career path of those who are required to have one of those professional designations, and to bring highly seasoned technical knowledge and skills to the highest level necessary to achieve the objectives of modern comptrollership and fully reflect the implications of accrual accounting.

financial specialist?

4. The financial administration group, (i.e. FI Group) is seen as an internal administrative group, and not as a group of professional financial advisors providing guidance in the allocation of all resources in the sense of modern comptrollership, and this perception is emphasized in the current group definition of the FI Standard. This has a number of implications:
 - a. The work assigned to an FI position is limited, on paper, to what is required by the standard to support a given level within the classification standard
 - b. Because the work required is narrowly defined, managers seek financial management advice elsewhere, and incumbents of FI positions have their career aspirations and career possibilities limited if they remain in the FI group.
 - c. Because the work is narrowly defined, and the number of FI positions is restricted to meet the narrow technical financial requirements, incumbents of FI positions have difficulty obtaining the broadening experience necessary to evolve as financial managers in the sense of modern comptrollership, and cannot justify training to this end (since it is not required by their narrowly defined positions), and have their career aspirations and career possibilities limited by the current FI classification structure, standard, and perception (this is a particularly acute problem blocking individuals moving from the FI 2 to the FI 3²⁹).
 - d. Twice Treasury Board has changed the definition of what it called the FI Group, using the *Public Service Reform Act, 1992*, first for UJEP in 1993, and then for the UCS in 1999, without considering the implications for the broader financial management community, or for the description of the financial management function work descriptions – but to expedite the implementation of the UJEP, and

²⁹The Financial Community Development team at Treasury Board acknowledged this problem in its presentation of October 22, 2002 to the SFFO Conference on *Professional Development Issues and Initiatives* where under lessons learned (deck page 11) it notes the “great divide” of the FI2 to FI3, from transaction and data to analysis, management information and decision. However, in discussions with a number of knowledgeable people, it appears the real issue is career planning and management. That is newer recruits with degrees and accounting designations feel they have the competencies to move quickly to the FI3, if not the FI4, and win competitions to those levels before they have years of experience in government, and are seen as bright but inexperienced. At the same time there are those who have laboured for some years at the FI1 or FI2 level and cannot seem to be able to move ahead. FI1's and FI2's in large departments seem to have much more difficulty moving up owing to the narrow nature of their work, whereas FI's in smaller departments tend to get the broader experience necessary to move. It appears that where the experience requirements to advance were well known at one time, the requirements of the financial system combined with the higher training and skills of new entrants have rendered the former requirements obsolete, but a new career management program has yet to be developed. There is also an argument that with the skills of the new entrants being so much higher than was the case in 1987 when the current four level structure was introduced, a new structure of five levels would serve the career development of financial specialists of the FI Group, and the broader community better..

then the UCS.

- e. The 1999 definition of the FI group calls it the Financial Management Group with significant changes to what these positions do – but this was an administrative change without significant consultation with the community at large, *and was not translated into a review of work descriptions, or the way the positions should be written or evaluated* (since UJEP and UCS both had their own evaluation methodology)
- f. The most senior level FI's remain at the EX minus 1 level, as their specialty disappears once the position becomes an EX – but an EX is a manager, not a senior financial advisor, so if financial expertise is required above the FI4 level, e.g. at the EX1 level, should these not be specialist positions, rather than the more general management positions represented by the EX?³⁰
- g. While there is a thoughtful initiative led by the Comptroller General's Branch of Treasury Board to increase the requirements for an FI appointment through the selection standard, and this is being done to address real needs of the Public Service, these requirements (and the needs from which they arise) are not reflected in the current classification standard, and relate only to the current FI community, not to the broader financial management community.
- h. Business planning and risk assessment, while legitimate functions of a financial manager in the private sector or in the public sector in many jurisdictions³¹, are treated as internal administrative services rather than a professional financial

³⁰There is anecdotal evidence that in recent years, a number of highly experienced FI4's have expressed little interest in moving into the Executive Group, and prefer finishing their careers as specialists in their fields. This may serve the individual, but it poses a problem in obtaining senior executives with deep financial backgrounds to serve as SFFO's and SFO's. At the same time, as the field of financial management in the Public Service of Canada becomes broader under modern comptrollership, integrated financial systems, accrual accounting, accrual budgeting, and the increasing use of financial partnerships with external organizations, the breadth of expertise at the most senior levels of the financial specialists is broadened, the range of advice required by clients is broadened, and the need to provide this broader financial information and advice tailored to the needs of specific clients indicate a higher level of financial expertise is required than in the past. Taking this anecdotal evidence and the needs of the system for senior financial specialists together, would indicate that a level of expertise above what is currently defined for the FI4 warrants consideration.

³¹ In a review of the literature, risk management is seen as tool for minimizing financial risk to the corporation or to the organization in the case of government, and is thus a financial analysis and advisory function, or a management analysis and advisory function, but in either case typically a function carried out by an accounting or economic analyst operating as an analyst and financial or management consultant. To identify this as an internal administrative service that does not require professional credentials either in accountancy or in economics is misclassifying the function. See **Annotated Bibliography for the Study On: "Best Practices in Risk Management: Private and Public Sectors Internationally.** Treasury Board of Canada Secretariat, October 1999. 70 pages

service³² – and thus warrants a position being classified as an AS rather than an FI, since knowledge of GAAP is not necessarily required to do either of these, is of secondary importance, or is only a desirable background.

5. The educational and professional designation requirements for administrative service (AS Group) positions with responsibilities for a significant aspect of financial management is inconsistent with achieving the objectives of professional modern comptrollership and accrual accounting, and for implementing the Auditor General's principles for accountability in the Public Service
6. While the educational requirements imbedded in the administrative services (AS Group) standard do not reflect the reality of the workplace (i.e. are outdated), operational selection criteria for these positions permit defining far broader functions, more germane to achieving the objectives of modern comptrollership but at the same time distort the classification of and control of financial management positions by central financial authorities.
7. If the objective of modern comptrollership is to have qualified financial specialists work as equal partners with managers as their specialist advisors and foils in planning, then the classification system used must permit the classification of financial specialists up to and including the level of assistant deputy head. Whether that means all of these positions should be in one group (which is unlikely), or (more likely) defined as career streams within other groups with specialized knowledge and/or professional credentials is open to question but should be examined by Treasury Board and the Public Service Commission.
8. The educational and professional designation requirements of the external auditors (AU Group) being higher than the educational and professional designation requirements for the financial management specialists responsible for the internal finances of the Public Service of Canada is a clear message from the Crown that those reviewing the financial management carried out by the provinces, the municipalities, and the private sector must measure up to a higher standard of financial management than those responsible for the management of the finances of the Government of Canada.

Professionalism

The issue of professionalism warrants addressing it directly. We speak of professionalism in a general sense, and in a general sense all readers know what that means. But, what does professionalism mean technically?

³²In fact, in the Glossary of Terms of the current FI Group Classification Standard (pp 5-7) business planning and risk assessment are not included, but then neither are modern comptrollership, comptrollership, or accrual accounting, Departmental Plans and Priorities. One can read modern practices into what is in the standard, but doing so does not mean that current requirements are accurately reflected for their worth, and consequently, are not accurately valued in monetary or other terms.

Looking at the definition established by Treasury Board in defining the Scientific and Professional Category, we find³³:

The Scientific and Professional Category is composed of occupational groups engaged in the application of a comprehensive body of knowledge acquired through university graduation in field specified in the group definitions, and of professional groups in which membership in Canada is generally controlled by legally established licensing bodies.

Inclusions:

Positions included in the category are those in which one or more of the following is of primary importance:

- *the application of knowledge, principles, or skills specific to the comprehensive body of knowledge or to the profession required in the appropriate occupational group.*
- *the supervision or direction of programs or activities performed primarily by employees in the Scientific and Professional Category.*

Exclusions:

Positions excluded from the category are those in which:

- *qualifications for a group in the Scientific and Professional Category are not mandatory. ...*

Based on this definition, combined with its inclusion and exclusion statements, there is a very strong case that financial specialists of the FI Group are allocated to the wrong category, that is, they should be in the scientific and professional category, not the administrative and foreign service category.

What makes this case strong are four points:

1. The current selection criteria for FI2's is a degree, and this has been true for some years – albeit (it is argued) this is used as a screening device, not a mandatory requirement but is this not splitting hairs if it is standard practice, and effectively excludes those without a degree
2. More than 90 percent of those recruited through the FORD program have a professional

³³ *Auditing, Scientific and Professional Category, Classification Standard*, Treasury Board of Canada Secretariat, 1987, p. 3

accounting designation – and in fact, I was told by some FI managers, for more than a decade, an accounting designation has been required for most FI appointments above the FI1; but again is this not mandatory if it effectively excludes those without an accounting designation.

3. With accrual accounting becoming the norm, the knowledge of accrual accounting theory and practice, and the ability to provide advice on accrual accounting theory and practice effectively eliminates individuals without solid training in accrual accounting and/or an accounting designation, in particular likely as a CA, and renders this background as mandatory.
4. The FI1 for which the degree and accounting designation are not required is viewed as a level having two natures, or roles in the system:
 - a. it is a terminal level, perhaps the height that might be achieved by a career financial clerk (stemming from the decision in the mid-1980's)
 - b. it is an entry level for those who plan to make a career as a financial specialist in the Public Service.

If one recognizes current practice of “desirable” requirements effectively being mandatory requirements, it is merely an issue of label, and there can be no choice but to recognize the FI as a professional group with the possible exception of the FI1 (at least for the present). In the case of the FI1, it appears the options are to treat it as a “developmental” level in the professional group, or as the senior level of a technical group which could be in a current classification group, or a new sub-group of a new financial management group (representation issues put aside for the moment)³⁴

Even if one argues that the current category definitions are obsolete, and thus how the Scientific and Professional Category is defined or how the Administrative and Foreign Service Category is defined is irrelevant, the Public Service of Canada has professionals, and we have a general idea of what is a professional. The dictionary definition of a profession is “a calling requiring specialized knowledge and often long and intensive academic preparation”³⁵ The requirements for the modern FI is consistent with this definition, as are those for the current professional groups in the Public Service of Canada, including the modern IM/IT specialists.

So, whether the current Public Service or dictionary definition is used, the modern financial

³⁴ Clearly the implication could be to create either a sub-group within the FI with different entry requirements, or a sub-group of the current CR Group, as to which bargaining agent would represent this new sub-group is open to discussion. The intent of this point is not to launch raiding or charges of raiding, but to clear up what constitutes a muddy classification and career planning situation to the benefit of the financial management system, and to the benefit of the individuals in these positions.

³⁵ *Merriam Webster's Collegiate Dictionary*, Tenth Edition. Springfield, Mass.: Merriam-Webster Inc., 1999. p. 930

manager is a professional, and should be treated as such in the Public Service of Canada.

Changes Required:

1. With respect to the current view of the financial administration community in the Public Service of Canada, initiatives must be undertaken to change the image of financial administrators from essentially book-keepers³⁶, to true financial management professionals and financial advisors³⁷ as the core partners to managers in the implementation of modern comptrollership, and on the development, application, and use of financial information systems that support modern comptrollership, and the first of the initiatives must be to define all the components and levels of the specialist financial management function of modern comptrollership to identify all the individuals and positions which form this community of professionals³⁸. This will require the commitment of new financial and human resources by Treasury Board and by Departments to carry this out expeditiously.
2. With respect to the appropriateness of the current professional development and career path of members of the financial administration community of the Public Service of Canada, once all positions have been identified which should be part of the universal financial management community of the Public Service of Canada, whether classified as EX, FI, AS, ES, CR or in other groups, and the current full spectrum of roles and functions to provide specialist financial services to managers have been defined, then career planning can be developed including steps of progression, ways and means to gain experience, and appropriate training and development programs can be established both for the members of the new core “FI” group, and for the others. Current initiatives such as FORD and HARD are good initial steps, but appear too narrow in nature to truly address career planning, development, and management issues of the universal financial management community as a whole. This will require the commitment of new financial

³⁶See Annex J for the NOC definition of occupation 1231, Bookkeepers – and see if this is not what many managers perceive as being the role of the FI – albeit “bean counter” is another derogative title sometime used.

³⁷One of the best discussions of what is financial management, in particular in a government setting, or of the roles of a financial manager is the US Office of Personnel Management’s Position *Classification Standard for Financial Management Series GS-505* (TS81, August 1969, WCPS-2 August 2002), where the nature of financial management is defined (pp. 4-5) and in particular its discussion on distinguishing the role of the financial manager from those of other streams (pages 8,9) – see Annex M for the first of these two. Under the Canadian NOC, one has to interpolate between Code 0111 Financial Manager (see Annex C), Code 1111, Financial Auditors and Accountants (see Annex G), which may mean needing to work with HRDC to develop a Canadian occupational code equivalent to that of the US OPM, but tailored to the Canadian context of modern comptrollership in the Public Service. The 1999 Treasury Board definition of the Financial Management Group published in the Canada Gazette is of course germane to this discussion, and possibly as the basis for a new definition for the financial managers in the Public Service.

³⁸Without implying that the positions must be reclassified into one group, but with the implication that the educational or professional designation requirements of these “streams” in other groups might need to be redefined.

and human resources by Treasury Board and by Departments to carry this out expeditiously.

3. With respect to the core financial specialist group, the group definition, knowledge requirements, selection standard, and structure must be established to serve not just the core financial specialist group (i.e. the FI), but the entire financial management community, and all the different streams that make up the community, and must necessarily be carried out only after the first two sets of changes (above) have been acted upon, and will require the commitment of new financial and human resources by Treasury Board and by Departments to carry this out expeditiously.
4. With respect to the appropriateness of the current classification structure and standard applied to the financial administration community of the Public Service of Canada, i.e. the Financial Administration Group (FI) of the Administration and Foreign Service Category, it does not include all of the roles and responsibilities of specialist financial managers required for the implementation of modern comptrollership, and must be re-written to reflect the modern requirements of financial management and modern comptrollership, be inclusive of all core financial specialist roles required for the implementation of modern comptrollership and the concomitant development, implementation and use of its financial information systems to integrate financial and non-financial data to achieve more effective operational results³⁹. This too will require the commitment of new financial and human resources by Treasury Board and by Departments.

Possible Solutions and Action Steps

³⁹This initiative will require some intensive consultations and committee work to develop a model that is acceptable to all. At the same time from both a perspective of including all those roles and streams which are directly involved in modern comptrollership, and the provision of an adequate number of levels to establish clear steps of progression, and hence a clear career path for planning and development purposes, the current four levels of the FI standard is inadequate. The AU for instance has six levels, the ES has technically eight levels (but that is under review to incorporate the SI Group in one standard), and may wind up with more or less levels than eight. The AS standard has technically eight levels, but this is not a professional stream and thus, while used for many financial functions,, is not appropriately used, and is not a good group for comparison. The US Office of Personnel Management lists eight professional levels, and up to nine clerical/technical levels. To incorporate a professional level position equivalent to an EX1 in scope of responsibility, and to incorporate one or more technical or developmental level below the first credentialled level, would imply a group structure of some eight levels, assuming what is currently classified at the FI1 level becomes the first credentialled level in the new financial management group. The concept in 1987 of compressing the FI group into four levels to yield broader salary bands may have made sense at that time, but with the increased complexity of financial management under the partnership approach of the federal government to the development, funding, and delivery of programs, services, and information --and under the requirements of modern comptrollership – combined with increasingly automated and integrated collection, integration, and interpretation of financial and non-financial data required for monitoring, analysis, and reporting, the current four level structure is inadequate. The optimal number of levels required is a function of the definition of the group, and thus must be determined once there is agreement on what the group is to be made accountable for.

There are eight major initiatives which, if undertaken, would address most of the issues raised:

1. Establish a Classification Modernization or Review Committee composed of all interested parties TBS/OCG, APSFA, PSC, OAG, CICA, others to develop the broad definition of the financial management function, that is the functions of the financial specialist positions necessary to serve as equal partners to management in the development, implementation, and evolution of modern comptrollership in the Public Service of Canada.
2. Conduct a thorough review of the financial occupations under the Canadian National Occupation Classification (see appendices C through L), and of the financial occupations of the United States Office of Personnel Management's Accounting and Budget Group⁴⁰ (which conceptually are tied to the US Standard Occupational Code) to determine equivalent occupations or financial management specialties (or occupational streams in the same group) in the Public Service of Canada⁴¹.
3. Conduct a thorough review of all positions in the Public Service of Canada whose responsibilities fit within the broad definition of initiative #1, which are key to the implementation of modern comptrollership in the Public Service of Canada (EX, FI, AS, ES, CR, others), and designate these positions as part of a new financial specialist

⁴⁰One of the key merits of the US OPM's classification system as reformed in 1997 is that while it refers to "classification standards", these documents are closer to what were created as UCS Reference Documents for specific groups of jobs in the Canadian Public Service with the additional feature of the knowledge requirements for the specific group. But all positions are classified in accord with a common, universal, set of factors, and set of points.. What the occupational stream does is ties this specific occupational specialty to an equivalent occupation in the National Occupational Classification code of the United States, which is then used for conducting wage surveys, and for setting pay levels for that specific occupational group.

⁴¹There are a number of reasons for using the National Occupational Classification as the basis for the identification of occupations or occupational groups and streams. One of the key reasons is that if a new occupational group or stream for the Public Service is defined as comparable to an occupation already defined in the NOC, this can be used for wage surveys at a lower cost than if a unique occupation is defined. A second reason is that given that there is one occupational group (NOC 4168 - *Program Officers unique to Government*) that is unique to government – and that group does not include any financial management functions as an occupation, thus it can be concluded, and probably quite correctly, that financial management in government is not significantly different in terms of skills and knowledge required, or functions to be performed than is found in the private sector. The context may be different, but not the skills or technical knowledge required. A third reason is that if classification is to be seen as equitable and sound – and not just a management whim – then the standard must be developed in accord with sound scientific methodology. HRDC is funded by Treasury Board to develop and establish occupational standards for use by the private sector, the provincial governments, territorial governments, foreign governments, and professional and trade organizations as the basis for wage comparisons, for developing educational curricula, for establishing common apprenticeship programs across Canada that are comparable internationally. It would seem rather odd for Treasury Board Classification specialists that there is a need for occupations in financial management different than that defined for everyone else; in fact it would be an indefensible position for Treasury Board to take.

family⁴².

4. Redefine the group definition, factors for assessment, weighting, and number of levels required for the FI Group which encompasses all the core financial management specialist functions (defined above) required to implement modern comptrollership in the most effective manner possible.⁴³
5. Having redefined the group, establish the number of distinguishable operational levels of work necessary, and the process of career advancement, to provide a reasonable career path from data validation and/or entry to the most senior level of financial advisor to the Deputy Head.⁴⁴

⁴²This initiative has already been partially launched through the letters (September 13th 2000, and October 9th 2002) of the Deputy Comptroller General, Comptrollership Branch of the Treasury Board Secretariat asking departments to review their AS positions to determine if they should more appropriately be assigned to the FI group. While this is laudable, and a step in the right direction, if the managers and writers were reasonably good at describing work, they could easily describe a job in such a manner that it would not necessarily fall under the FI standard, in particular since many work descriptions were rewritten for UCS purposes, and not necessarily seeking to reflect the AS or FI standard, and if no staffing action was initiated with respect to one of these re-written positions, classification would have had no reason to review it. One also has to remember, that in the last thirteen years of first UJEP conversion, and then UCS conversion, if a manager insisted that a position should be an AS (usually because the intended incumbent did not qualify as an FI), the position was often classified as such, since “it would not matter” once the positions were converted to UJEP or to UCS. The end result is quite likely that there are many positions, the incumbent of which is carrying out financial management responsibilities, but the description on paper does not accurately reflect those responsibilities. In short, considerably more than these letters, or the review asked for has to be done to get a true handle on the number of AS positions that belong in a financial management group. The ultimate classification of these positions might not necessarily mean they are all in one classification group (e.g. the FI), but that they might constitute specialized streams in other groups (e.g. EX) that must meet specialized requirements of ‘financial specialists’ to ensure the integrity of this larger specialized group under modern comptrollership

⁴³The factors for assessment of work today must comply with Section 11 of the Human Rights Act, consequently the factors in the current standard need to be revised, drawing on the Treasury Board Secretariat’s *UCS Reference Document for Financial Administrators*, and on the United States Office of Personnel Management’s approach for the evaluation of Accounting and Budget positions.

⁴⁴In determining the appropriate number of levels, there are a number of arguments, all of which indicate more levels are required in the FI Group than the current four. The general model which is true for professional groups is to have 1) an entry level, 2) a fully professional level, 3) a team leader level which is also a specialist level, 4) a unit, section, or function manager, and 5) a manager of multiple units, sections, or functions within the profession. The advisory role of the positions increase as their management responsibilities increase on the basis that they must integrate an increasing number of specialties into a viable set of recommendations with all factors taken into consideration. This is also true for the FI, except that the current standard does not reflect the breadth of the work or the larger range of specialties that must be incorporated into the work. The size and complexity of the financial resources for which a current FI is responsible has a significant role in determining the level of the position, and will likely continue to be true, but this “impact” element is true in a number of standards, and developing a modified standard that incorporates the impact of the size of the resources should not pose an insurmountable challenge. See Annex N for more discussion.

6. Eliminate the practices which distort the classification of financial management positions, in particular replace the requirement that any position classified as FI (or its new equivalent) must “belong” to the central financial authority of the department, and replace it with a control over selection standards for such positions that must be approved by the central financial authority, and/or that the central financial authority has the right to participate in all such selection boards. The effect of this would be to increase the professional standards of such positions, without managers losing control of the individuals hired.
7. Review the job content, and career path of current financial CR positions in light of educational requirements in the private sector for these types of positions, and the recruitment and future of these to determine if there is required a sub-group of the CR group, or a sub-group of the revised FI Group tied to the NOC.
8. Establish a process for the ongoing review and updating of the new classification standard to keep the standard up to date with technological and process change to maintain the classification standard as “living” tool.

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GS-0500 - ACCOUNTING AND BUDGET GROUP

This group includes all classes of positions the duties of which are to advise on, administer, supervise, or perform professional, technical, or related clerical work of an accounting, budget administration, related financial management, or similar nature.

Throughout the following information, an asterisk (*) stands for series with a published standard and a double asterisk (**) stands for series with a published flysheet.

Series in this group are:

GS-0501 - Financial Administration and Program Series*

The series covers positions that perform, supervise, or manage administrative work of a fiscal, financial management, accounting, or budgetary nature that is not classifiable to another more specific professional or administrative series in the Accounting and Budget Group, GS-0500.

GS-0503 - Financial Clerical and Technician Series*

This series includes positions the duties of which are to perform or supervise clerical or technician work in support of accounting, auditing, budgeting, or financial management functions when no other established series in the Accounting and Budget Group, GS-0500, is appropriate. The work requires a knowledge of the procedures and techniques involved in carrying out the work of an organization and involves application of procedures and practices within the framework of established guidelines.

GS-0505 - Financial Management Series*

This series includes all classes of positions the duties of which are to manage or direct a program for the management of the financial resources of an organizational segment, field establishment, bureau, department, independent agency, or other organizational entity of the Federal Government when the duties and responsibilities include: (1) developing, coordinating, and maintaining an integrated system of financial staff services including at least accounting, budgeting, and management-financial reporting, and sometimes also one or more of such related staff services as auditing, credit analysis, management analysis, etc.; (2) exercising effective control over the financial

resources of the organization; (3) coordinating and synthesizing financial and management data so as to interpret the composite financial results of operations to all levels of the organization's management; (4) advising on, developing, coordinating, and carrying out financial policies, procedures, and plans; (5) reviewing, analyzing, evaluating, and reporting upon program accomplishments in financial terms; and (6) advising and assisting the management officials of the organization served by supplying financial management advice required to make management decisions, establish organizational goals and objectives, and in all respects to manage the organization.

GS-0510 - Accounting Series*

This series covers positions that advise on or administer, supervise, or perform professional accounting work that requires application of accounting theories, concepts, principles, and standards to the financial activities of governmental, quasi-governmental, or private sector organizations. The work includes:

9. designing, developing, operating, or inspecting accounting systems;
10. prescribing accounting standards, policies, and requirements;
11. examining, analyzing, and interpreting accounting data, records, and report; or
12. advising or assisting management on accounting and financial management matters.

Accounting theories, concepts, principles, and standards address these types of duties:

13. determining the boundaries of an accounting entity;
14. recognizing and measuring revenues;
15. matching revenues and expenses by applying methodologies such as accrual accounting and depreciation;
16. defining and measuring costs by application of methodologies such as standard, process, job-order, and activity-based costing; and
17. full disclosure on financial statements.

GS-0511 - Auditing Series*

This series covers positions that apply professional accounting and auditing knowledge, standards, and principles when performing these duties:

18. advising on, supervising, or performing work consisting of a systematic examination and appraisal of financial records, financial and management reports, management controls, policies and practices affecting or reflecting the financial condition and operating results of an activity;
19. analyzing work related to developing and executing audit policies and programs;
20. conducting performance audits; or
21. conducting activities related to the detection of fraud, waste and abuse.

GS-0512 - Internal Revenue Agent Series*

This series covers positions that determine or advise on liability for Federal taxes when such work requires a professional knowledge of accounting theories, concepts, principles and standards and, in addition, a knowledge of pertinent tax laws, regulations and related matters. This series is unique to the Internal Revenue Service (IRS), U.S. Department of the Treasury.

GS-0525 - Accounting Technician Series*

This series includes account maintenance clerical and accounting technician support positions requiring a basic understanding of accounting systems, policies, and procedures in performing or supervising the examination, verification, and maintenance of accounts and accounting data. Also included are positions that perform technical audit functions, develop or install revised accounting procedures, or perform similar quasi-professional accounting work. Positions in this series require a knowledge of existing accounting systems, standard accounting codes, classifications, and terminology; an understanding of agency accounting policies, procedures, and requirements; and the ability to apply various accounting methods, forms and techniques, but less than the broad understanding and theoretical knowledge of accounting acquired through professional education and training.

GS-0526 - Tax Specialist Series*

This series covers positions that determine, supervise, educate, advise, and perform work related to Federal tax liability and, as required, duties and tariffs when such work involves contact with taxpayers, manufacturers, producers, importers, third-party organizations and/or their representatives. Work involves these types of duties:

22. analyzing programs that provide tax, duty and tariff, and revenue-related accounting advisory and consultation services; and/or
23. examining and/or reviewing financial documents or practices affecting the financial condition of an activity.

Work requires knowledge of financial accounting principles, practices, and methods as well as knowledge of pertinent laws, regulations, and rulings pertaining to taxes, and/or, as required, duties and tariffs.

GS-0530 - Cash Processing Series*

This series includes positions that involve clerical work in the receipt, disbursement, examination, deposit, custody, or other clerical processing of cash items, when this includes: (1) direct handling of the cash items; and (2) use of cash accountability control methods. The work requires application of a knowledge of: (1) the negotiability, validity, and genuineness of cash items; (2) the acceptability requirements of supporting documents; and (3) cash processing procedures of Federal agencies and commercial institutions.

GS-0540 - Voucher Examining Series*

This series includes all classes of positions the duties of which are to administer, supervise, or perform work consisting of the examination for accuracy, legality, compliance with regulations, and justification of vouchers, invoices, claims, and other requests for payment for: (1) goods and services provided to or by the Government; (2) satisfaction of breach of contract or default in fulfilling contractual obligations; (3) reimbursement of expenditures made by beneficiaries for such purposes as medical and domiciliary care and treatment, burial expenses, and education and training; (4) reimbursement of expenditures for travel and transportation; or (5) other transactions when such examination of the request for payment is not classifiable in another series.

GS-0544 - Civilian Pay Series*

This series includes positions concerned with the determination of pay, the maintenance of payroll records, and the compilation of related reports pertaining to civilian employees of the Federal Government, and/or with the establishment, maintenance, review, and disposition of time and leave records for civilian employees of the Federal Government. Positions in the Civilian Pay Series require: (1) substantial knowledge of civilian pay and/or leave rules, regulations, procedures, programs, and systems requirements; and (2) usually, a knowledge of those civilian personnel rules and regulations that affect pay.

GS-0545 - Military Pay Series*

This series includes positions the primary duties of which are to supervise, lead, or perform work to establish, maintain, correct, and close pay accounts for active, reserve, or retired armed forces personnel and their annuitants. Work in this series requires a knowledge of military pay entitlement laws, regulations, and procedures.

GS-0560 - Budget Analysis Series*

This series covers positions that perform, advise on, or supervise work in any of the phases of budget administration when such work requires knowledge and skill in applying budget-related laws, regulations, policies, precedents, methods, and techniques.

GS-0561 - Budget Clerical and Assistance Series*

This series includes all positions the principal duties of which are to perform clerical and technical work in support of budget analysis and administration when such work requires primarily knowledge of the procedures that facilitate budgeting as conducted in the Federal service. Work in this series requires practical understanding and skill in the application of administrative rules, regulations, and procedures associated with

recording, reporting, processing, and keeping track of budgetary transactions; e.g., the credit, receipt, transfer, allotment, withdrawal, obligation or outlay of funds.

GS-0592 - Tax Examining Series*

This series includes all positions the paramount duties of which are to perform or supervise work in the Internal Revenue Service involving the processing of original tax returns, establishing tax account records or changing such records based on later information affecting taxes and refunds; collecting some taxes and/or obtaining tax returns; computing or verifying tax, penalty and interest; and determining proper tax liability. This work requires knowledge of standardized processing and collection procedures to record tax information and knowledge of applicable portions of tax laws and tax rulings to accept, request proof of or reject a variety of taxpayer claims, credits and deductions.

GS-0593 - Insurance Accounts Series*

This series includes all classes of positions the duties of which are to administer, supervise, or perform work involved in the processing and adjusting of individual insurance accounts. Included in this series is such work as: examining account records to determine that all previous actions have been made according to laws, regulations, and procedures; effecting non-standard adjustments that cannot be automatically processed by the equipment; and preparing and processing a variety of documents necessary for the maintenance of individual accounts, including the preparation of input documents for maintenance of the accounts by an automatic data processing system. Work characteristic of this series requires a thorough understanding of Federal life insurance laws, rules, and regulations, as well as established precedents.

GS-0599 - Financial Management Student Trainee Series

See the series definition for the General Student Trainee Series, GS-0099.

Annex B US Office of Personnel Management, Handbook of Occupational Groups and Families, August 2001

GS-0099 - General Student Trainee Series

The student trainee series in each Occupational Group includes all trainee positions that involve periods of pertinent formal education and periods of employment in a Federal agency. The education and employment must be part of a formal student employment program. The level of

education and experience completed by the student is a major consideration in establishing the level of on-the-job training and work assignments during periods of employment. This series definition applies to the XX99 student trainee series for each Occupational Group. Student trainee positions should be classified to the XX99 series for the appropriate Occupational Group (GS-0099, GS-0199, GS-1599, etc.).

All positions classified to a student trainee series should be titled Student Trainee followed by a parenthetical title consistent with the occupational field involved; for example: Student Trainee (Personnel Management), Student Trainee (Psychology), Student Trainee (Civil Engineering).

Annex C

Human Resources Development Canada

National Occupational Classification 2001

0111 Financial Managers

Financial managers plan, organize, direct, control and evaluate the operation of financial and accounting departments. They develop and implement the financial policies and systems of establishments. Financial managers establish performance standards and prepare various financial reports for senior management. They are employed in financial and accounting departments in companies throughout the private sector and in government.

Example Titles

controller
director - financial services
director of accounting
finance director
manager, financial control
manager, financial planning and analysis
manager, internal audit services
treasurer

Main duties

Financial managers perform some or all of the following duties:

2. Plan, organize, direct, control and evaluate the operation of an accounting, audit or other financial department
4. Develop and implement the financial policies, systems and procedures of an establishment
6. Prepare or co-ordinate the preparation of financial statements, summaries, and other cost-benefit analyses and financial management reports
8. Co-ordinate the financial planning and budget process, and analyze and correct estimates
10. Supervise the development and implementation of financial simulation models

12. Evaluate financial reporting systems, accounting procedures and investment activities and make recommendations for changes to procedures, operating systems, budgets and other financial control functions to senior managers and other department or regional managers
14. Recruit, organize, train and manage staff
16. Act as liaison between the organization and its shareholders, the investing public and external financial analysts
18. Establish profitability standards for investment activities and handle mergers and/or acquisitions
20. Notify and report to senior management concerning any trends that are critical to the organization's financial performance.

Employment requirements

22. A university degree in business administration, economics, commerce or a related field *and* Accounting and audit managers may require a recognized accounting designation (CA, CMA or CGA).
24. A master's degree in business administration (concentration in finance), or another master's level management program may be required.
26. Several years of experience in accounting, auditing, budgeting, financial planning and analysis or other financial activities are required.

Additional information

28. Progression to senior management positions, such as vice-president of finance, is possible with experience.

Classified elsewhere

30. *Banking, Credit and Other Investment Managers (0122)*
32. Managers of accounting and auditing firms (in 0123 *Other Business Services Managers*)
34. *Senior Managers - Financial, Communications and Other Business Services (0013)*

Last Modified: 2002-08-30

Annex D Human Resources Development Canada National Occupational Classification 2001

0012 Senior Government Managers and Officials

Senior government managers and officials plan, organize, direct, control and evaluate, through middle

managers, the major activities of municipal or regional governments or of provincial, territorial or federal departments, boards, agencies or commissions. They establish the direction to be taken by these organizations in accordance with policies made by elected representatives or legislative bodies.

Example Titles

assistant deputy minister
chairperson, Human Rights Commission
chief administrative officer - regional municipality
chief statistician - government services
city administrator
deputy minister
director general - government services
executive director - government services
high commissioner

Main duties

Senior government managers and officials perform some or all of the following duties:

35. Establish objectives for the organization in accordance with government policy, formulate or approve and evaluate programs and procedures alone or in conjunction with senior government committees
36. Advise elected representatives on policy questions and refer any major policy matters to these representatives for final decision
37. Recommend, review, evaluate and approve documents, briefs and reports submitted by middle managers and senior staff members
38. Ensure appropriate systems and procedures are developed and implemented to provide budgetary control
39. Co-ordinate department activities with other senior government managers and officials
40. Make presentations to legislative and other government committees regarding policies, programs or budgets.

Employment requirements

41. A university degree or college diploma is usually required.
42. A graduate degree in a related field may be required.
43. Several years of managerial experience in the public or private sector are required.

Classified elsewhere

44. *Legislators* (0011)
45. Middle managers in government (in 041 *Managers in Public Administration*)

Annex E

Human Resources Development Canada National Occupational Classification 2001

0013 Senior Managers - Financial, Communications and Other Business

Senior managers in this unit group are usually appointed by a board of directors, to which they report. Working either alone or in conjunction with the board of directors, they develop and establish objectives for the company and develop or approve policies and programs. They plan, organize, direct, control and evaluate, through middle managers, the operations of their organization in relation to established objectives.

Example Titles

bank president
chief executive officer (CEO) - telephone company
chief financial officer (CFO) - advertising agency
chief operating officer - engineering firm
executive director, credit union
executive vice-president, real estate agency
general manager, real estate management company
president, advertising agency
president, computing service company
president and chief executive officer
regional vice-president, trust company
vice-president, human resources - bank
vice-president, marketing - clerical staff services
vice-president, operations - satellite
communication services

Main duties

Senior managers in this unit group perform some or all of the following duties:

46. Determine the company's mission and strategic direction as conveyed through policies and concrete objectives which they meet through the effective management of human, financial and physical resources
47. Authorize and organize the establishment of major departments and associated senior staff positions
48. Allocate physical, human and financial resources to implement organizational policies and programs; establish financial and administrative controls; formulate and approve promotional campaigns; and approve overall human resources planning
49. Select middle managers, directors or other executive staff; delegate the necessary authority to them and create optimum working conditions
50. Represent the organization or delegate representatives to act on behalf of the organization in negotiations or other official functions.

Senior managers in this unit group may specialize in areas such as finance, marketing or human resources or in a particular service area.

Employment requirements

51. A university degree in business administration, commerce, computer science or other discipline related to the service provided is usually required.
52. Several years of experience as a middle manager in financial, communications or other business services are usually required.
53. Specialization in a particular functional area or service may occur either through specific university training in that area and through previous experience.
54. Senior managers in finance usually require a professional accounting designation.

Additional information

55. The boundaries of this unit group are defined by the North American Industry Classification System (NAICS). Included are senior managers in the following industries: communications, finance and insurance, real estate and business services.

Classified elsewhere

Related middle managers are classified in the following minor groups:

56. *Managers in Communication (Except Broadcasting) (013)*
57. *Managers in Engineering, Architecture, Science and Information Systems (021)*
58. *Managers in Financial and Business Services (012)*

Annex F

Human Resources Development Canada National Occupational Classification 2001

041 Managers in Public Administration

[0411](#) Government Managers - Health and Social Policy Development and Program Administration

[0412](#) Government Managers - Economic Analysis, Policy Development

[0413](#) Government Managers - Education Policy Development and Program Administration

[0414](#) Other Managers in Public Administration

Annex G

Human Resources Development Canada National Occupational Classification 2001

1111 Financial Auditors and Accountants

Financial auditors examine and analyze the accounting and financial records of individuals and establishments to ensure accuracy and compliance with established accounting standards and procedures. Accountants plan, organize and administer accounting systems for individuals and establishments. Articling students in accounting firms are included in this unit group. Financial auditors and accountants are employed by auditing and accounting firms throughout the private and public sectors, or they may be self-employed.

Example Titles

accountant
certified general accountant (CGA)
certified management accountant (CMA)
chartered accountant (CA)
chief accountant
corporate controller - accounting
financial auditor
income tax expert
industrial accountant
internal auditor

Main duties

Financial auditors perform some or all of the following duties:

59. Examine and analyze journal and ledger entries, bank statements, inventories, expenditures, tax returns and other accounting and financial records, documents and systems of an individual, department, company or other establishment to ensure financial recording accuracy and compliance with established accounting standards, procedures and internal controls
60. Prepare detailed reports on audit findings and make recommendations to improve individual or establishment's accounting and management practices
61. Conduct field audits of businesses to ensure compliance with provisions of the *Income Tax Act, Canadian Business Corporations Act* or other statutory requirements
62. May supervise other auditors or professionals in charge of accounting within client's establishment.

Accountants perform some or all of the following duties:

63. Plan, set up and administer accounting systems and prepare financial information for an individual, department, company or other establishment
64. Examine accounting records and prepare financial statements and reports
65. Develop and maintain cost finding, reporting and internal control procedures
66. Examine financial accounts and records and prepare income tax returns from accounting records
67. Analyze financial statements and reports and provide financial, business and tax advice
68. May act as a trustee in bankruptcy proceedings
69. May supervise and train articling students, other accountants or administrative technicians.

Employment requirements

70. Chartered accountants require a university degree
and
Completion of a professional training program approved by a provincial institute of chartered accountants and, depending on the province, either two years or 30 months of onthe- job training
and
Membership in a provincial Institute of Chartered Accountants upon successful completion of the Uniform Final Examination (UFE).

71. Certified general accountants and certified management accountants require a university degree
and
Completion of a training program approved by the Society of Certified General Accountants or Society of Management Accountants and several years of on-the-job training
and
Certification by the Certified General Accountants Association or the Society of Management Accountants.
72. Auditors require education, training and recognition as indicated for chartered accountants, certified general accountants or certified management accountants
and
Some experience as an accountant.
73. Auditors may require recognition by the Institute of Internal Auditors.
74. To act as a trustee in bankruptcy proceedings, auditors and accountants must hold a licence as a trustee in bankruptcy.
75. Licensing by the provincial or territorial governing body is usually required for accountants and auditors practising public accounting.

Additional information

76. There is limited mobility among the three professional accounting designations (CA, CGA and CMA).
77. Progression to auditing or accounting management positions is possible with experience.

Classified elsewhere

78. *Bookkeepers (1231)*
79. *Financial Managers (0111)*
80. Program or other non-financial auditors (in 416 *Policy and Program Officers, Researchers and Consultants*)

Annex H

Human Resources Development Canada

National Occupational Classification 2001

1212 Supervisors, Finance and Insurance Clerks

Supervisors in this unit group supervise and co-ordinate the activities of workers in the following unit groups: *Accounting and Related Clerks (1431)*, *Payroll Clerks (1432)*, *Customer Service Representatives - Financial Services (1433)*, *Banking, Insurance and Other Financial Clerks (1434)* and *Collectors (1435)*. They are employed by banks and other financial institutions, insurance companies, and by other establishments throughout the private and public sectors.

Example Titles

accounts payable supervisor
accounts receivable supervisor
bank clerks supervisor
billing supervisor
bookkeeping supervisor
collection supervisor
credit supervisor
payroll supervisor
savings supervisor
supervisor of accounting
supervisor, claims adjusters
supervisor, customer service representatives

Main duties

Supervisors in this unit group perform some or all of the following duties:

81. Implement efficient working processes and coordinate, assign and review the work of clerks engaged in the following duties: administering accounts payable and receivable; processing, verifying and recording financial documents and forms; administering payrolls; serving customers in banks, trust companies and other financial institutions; processing, verifying and recording insurance claims and forms; and collecting user fees and payments on overdue accounts
82. Examine and verify accuracy of work and authorize routine payments, credits, deposits and withdrawals
83. Establish work schedules and procedures and co-ordinate activities with other work units or departments
84. Resolve work-related problems and prepare and submit progress and other reports
85. Identify training needs and train workers in job duties and company policies

86. Requisition supplies and materials

87. Ensure smooth operation of computer systems and equipment and arrange for maintenance and repair work

88. May perform the same duties as workers supervised.

Employment requirements

89. Completion of a college program or courses in bookkeeping, accounting or a related subject is required.

90. Experience in the clerical occupation supervised is required.

Classified elsewhere

91. *Financial Managers* (0111)

92. *Other Financial Officers* (1114)

Annex I

Human Resources Development Canada National Occupational Classification 2001

1221 Administrative Officers

Administrative officers oversee and implement administrative procedures, establish work priorities and co-ordinate the acquisition of administrative services such as office space, supplies and security services. They are employed throughout the private and public sectors.

Example Titles

access to information and privacy officer
administrative officer
administrative services co-ordinator
co-ordinator, office services
forms management officer
liaison officer
office administrator
office manager
planning officer
records analyst - access to information
requirements officer - military
surplus assets officer
university admissions officer

Main duties

Administrative officers perform some or all of the following duties:

93. Oversee and co-ordinate office administrative procedures and review, evaluate and implement new procedures
94. Establish work priorities, delegate work to office support staff, and ensure deadlines are met and procedures are followed
95. Carry out administrative activities associated with admissions to post-secondary educational institutions
96. Administer policies and procedures related to the release of records in processing requests under government access to information and privacy legislation
97. Co-ordinate and plan for office services, such as accommodation, relocations, equipment, supplies, forms, disposal of assets, parking, maintenance and security services
98. Assist in preparation of operating budget and maintain inventory and budgetary controls
99. Assemble data and prepare periodic and special reports, manuals and correspondence.

Employment requirements

100. Completion of secondary school is required.
101. A university degree or college diploma in business or public administration may be required.
102. Experience in a senior clerical or executive secretarial position related to office administration is usually required.

Additional information

103. Progression to administrative service management positions is possible with experience.

Classified elsewhere

104. *Administrative Clerks (1441)*
105. *Administrative Services Managers (in 0114 Other Administrative Services Managers)*
106. *Conference and Event Planners (1226)*
107. *Executive Assistants (1222)*
108. *Property Administrators (1224)*

Annex J

Human Resources Development Canada National Occupational Classification 2001

1231 Bookkeepers

Bookkeepers maintain complete sets of books, keep records of accounts, verify the procedures used for recording financial transactions, and provide personal bookkeeping services. They are employed throughout the private and public sectors, or they may be self-employed.

Example Titles

accounting bookkeeper
bookkeeper

Main duties

Bookkeepers perform some or all of the following duties:

109. Keep financial records and establish, maintain and balance various accounts using manual and computerized bookkeeping systems
110. Post journal entries and reconcile accounts, prepare trial balance of books, maintain general ledgers and prepare financial statements
111. Calculate and prepare cheques for payrolls and for utility, tax and other bills
112. Complete and submit tax remittance forms, workers' compensation forms, pension contribution forms and other government documents
113. Prepare tax returns and perform other personal bookkeeping services
114. Prepare other statistical, financial and accounting reports.

Employment requirements

115. Completion of secondary school is required.
116. Completion of a college program in accounting, bookkeeping or a related field
or
Completion of two years (first level) of a recognized professional accounting program (e.g., Chartered Accounting, Certified General Accounting)
or
Courses in accounting or bookkeeping combined with several years of experience as a financial or accounting clerk are required.

Additional information

117. Progression to professional accounting occupations is possible with additional training.

Classified elsewhere

118. *Accounting and Related Clerks (1431)*
119. *Banking, Insurance and Other Financial Clerks (1434)*
120. *Financial Auditors and Accountants (1111)*
121. *Payroll Clerks (1432)*

Annex K

Human Resources Development Canada

National Occupational Classification 2001

1431 Accounting and Related Clerks

This unit group includes clerks who calculate, prepare and process bills, invoices, accounts payable and receivable, budgets and other financial records according to established procedures. They are employed throughout the private and public sectors.

Example Titles

accounting clerk
accounts payable clerk
accounts receivable clerk
audit clerk
billing clerk
budget clerk
costing clerk
deposit clerk
finance clerk
freight-rate clerk
income tax return preparer
invoice clerk
ledger clerk
tax clerk

Main duties

Accounting and related clerks perform some or all of the following duties:

122. Calculate, prepare and issue documents related to accounts such as bills, invoices, inventory reports, account statements and other financial statements using computerized and manual systems
123. Code, total, batch, enter, verify and reconcile transactions such as accounts payable and receivable, payroll, purchase orders, cheques, invoices, cheque requisitions, and bank statements in a ledger or computer system
124. Compile budget data and documents based on estimated revenues and expenses and previous budgets
125. Prepare period or cost statements or reports
126. Calculate costs of materials, overhead and other expenses based on estimates, quotations, and price lists
127. Respond to customer inquiries, maintain good customer relations and solve problems
128. Perform related clerical duties, such as word processing, maintaining filing and record systems, faxing and photocopying.

Employment requirements

129. Completion of secondary school is usually required.
130. Completion of college or other courses in accounting, bookkeeping or computer operation may be required.
131. Some accounting clerks must be bondable.

Additional information

132. Progression to supervisory or skilled financial occupations, such as accounts payable supervisor, bookkeeper, or office manager is possible with additional training and experience.

Classified elsewhere

133. *Banking, Insurance and Other Financial Clerks (1434)*
134. *Bookkeepers (1231)*
135. *Collectors (1435)*
136. *Financial Auditors and Accountants (1111)*
137. *Payroll Clerks (1432)*
138. *Supervisors, Finance and Insurance Clerks (1212)*

Annex L

Human Resources Development Canada National Occupational Classification 2001

1432 Payroll Clerks

Payroll clerks collect, verify and process payroll information and determine pay and benefit entitlements for employees within a department, company or other establishment. They are employed by payroll administration companies and by establishments throughout the private and public sectors.

Example Titles

benefits officer
pay advisor
pay and benefits administrator
pay and benefits clerk
pay clerk
payroll clerk
payroll officer
salary administration officer

Main duties

Payroll clerks perform some or all of the following duties:

139. Maintain records of employee attendance, leave and overtime to calculate pay and benefit entitlements, in Canadian and other currencies, using manual or computerized systems
140. Prepare and verify statements of earnings for employees, indicating gross and net salaries and deductions such as taxes, union dues, garnishees and insurance and pension plans
141. Prepare employee payments and benefit payments by cheque or electronic transfer
142. Complete, verify and process forms and documentation for administration of benefits such as pension plans, leaves, share savings, employment and medical insurance
143. Prepare T4 statements and other statements

144. Provide information to employees on payroll matters, benefit plans and collective agreement provisions
145. Compile statistical reports, statements, and summaries related to pay and benefits accounts
146. Prepare and balance period-end reports and reconcile issued payrolls to bank statements.

Employment requirements

147. Completion of secondary school is usually required
148. Completion of college or other courses in accounting, bookkeeping or payroll administration
or
Experience as a financial clerk is usually required.
149. Payroll association certification may be required.

Additional information

150. Progression to supervisory positions is possible with experience.

Classified elsewhere

151. *Administrative Clerks (1441)*
152. *Personnel and Recruitment Officers (1223)*
153. *Personnel Clerks (1442)*
154. Supervisors of payroll clerks (in 1212 *Supervisors, Finance and Insurance Clerks*)

Annex M

US Office of Personnel Management

The Nature of Financial Management

Financial Management is that part of total management which is concerned primarily with the financial affairs of an organization and the translation of actions, both past and proposed, into meaningful and relevant information for use in the management process. It includes the functions of budgeting, accounting, reporting, and the analysis and interpretation of the financial significance of past events and future plans. It sometimes also includes other related functions such as internal auditing, management analysis, and others. It is not primarily concerned with the technical procedures and methodology of those individual functions. Rather, it is characterized by the coordination and correlation of those functions into an effective and broad system of financial control that will assure that they, collectively, more than individually, become an integral part of the management of the organization.

Financial management involves the art of interrelating data to obtain a perspective of the total financial situation that will assist managers in program planning and decision-making. A very simple operating program may require only a minimum of financial management, and this, in some cases, can be provided by the manager.... However, many Federal agencies with complex programs have a need for broad financial advice and know-how – advice that can only be furnished following a synthesis, analysis, and interrelating of meaningful financial data with programming and planning information by an organization and officials particularly adept and capable in financial matters.....

From *Classification Standard for Financial Management Series GS-505* (TS81, August 1969, WCPS-2 August 2002), pages 4 and 5.

Annex N

Critique of the current FI Classification Standard.

Category Definition:

According to the Classification Standard, the Financial Administration Group is allocated to the Administrative and Foreign Service Category, a category for which no degree is required, and/or no professional designation is required. This contradicts the selection standards introduced by the Public Service Commission in 1987 respecting FI2's and above, and confirmed by the Comptroller General on August 8, 1990.

After fifteen years of effort to increase the professionalism of the group, and requiring a degree and an accounting designation, that is, the requirements for the Scientific and Professional Category – recognition as a professional group, and allocation to that category would be appropriate.

While the **Public Service Reform Act of 1992** may have been used to amend the use of categories, and the definition of this group in both 1993 and 1999, none of those changes were ever reflected in the 1987 classification standard used throughout the period for classification, and in use today.

Group Definition:

The current group definition in the classification standard is focussed on financial administration, that is” The planning, direction, execution, and control of financial administration programs”

This is much narrower than the concept of the role of the senior financial manager, and hence of the role of the financial specialist as defined in the *Report of the Independent Review Panel on Modernization of Comptrollership in the Government of Canada*. where it argued that

There are a number of areas where senior financial officers require depth of

experience resulting in mature competence in order to play the lead role described. Illustrative, but not all inclusive, of these areas of competency are the following:

- *management accounting*
- *risk management*
- *budgeting*
- *financial management, planning, and analysis*
- *financial accounting*
- *non-financial performance reporting*
- *business planning.”*

The group definition for the Financial Management Group as promulgated in the Canada Gazette on March 27, 1999 is close to reflecting this collection of competencies, but does not address a number of issues, in particular the issue of the application of a comprehensive body of knowledge (GAAP including accrual accounting, accrual budgeting, etc) to a range of activities by the FI's and the requisite credentials to do so.

Since financial specialists are to work as partners with departmental managers for the implementation of modern comptrollership, the implementation of the financial information strategy, accrual accounting, and accrual budgeting, the definition of the group has to be broadened to reflect this new role as an advisor to more than just a hierarchy of decision-makers in the financial function.

One example of a new definition could be as follows – modifying the 1999 TBS definition:

The Financial Management (or Financial Specialist, or Comptroller)Group comprises positions that are primarily involved in the application of a comprehensive knowledge of generally accepted accounting principles, and auditing standards (such as demonstrated through a professional accounting designation or acceptable equivalent) to a number of applications including:

- a. *the development, delivery, interpretation, recommendation or revision of financial management policies, practices, principles, systems or techniques;*

- b the provision of advice on the financial implications of policy and program proposals and actions, including risk management and performance information and management, and the approval of the adequacy of financial safeguards in programs and activities;*
- c. the provision of the financial specialist perspective in management deliberations on proposed new or modified policies and programs, or on the performance of existing policies or programs;*
- d. the planning and conduct of internal financial audits for clients and their external partner organizations (inside or outside of the Public Service);*
- e. the development and delivery of cost accounting models;*
- f. the financial planning, analysis and reporting;*
- g the financial operations and services, such as the management of the accounting process and reporting of expenditures, revenues, assets or liabilities;*
- h. the provision of services in two or more administrative fields, one of which is financial, where the financial work requires the application of a comprehensive knowledge of GAAP;*
- i the management or supervision of any of the above*
in the planning, delivery and management of financial management and financial audit programs and advice required for the sound management of programs and policies of the Government of Canada in accord with national and international accounting and audit standards

Further, the inclusion and exclusion statements have to be revised to more fully reflect the roles of the financial specialist in the world of modern comptrollership and the financial information strategy, that is where does the role of the professional financial specialist phase out, and that of the manager who is trained in financial management begin.

Glossary of Terms:

The current glossary of terms reflects the world prior to 1987, and needs to be updated to reflect the meaning of these terms that they have today, in 2002, in the world of modern comptrollership, integrated financial systems, the financial information strategy in its broadest sense, and its technical components, e.g. accrual accounting to assist in the interpretation of the meaning of work described and in describing work.

Group Structure:

There is considerable evidence to suggest that the current four level structure of the group does not serve the careers of the current FI Group or of the broader financial management community well. As a professional group, the model structure is five levels with the typical structure being

- 1 entry or developmental level
- 2 fully professional level - can provide full range of services to a small organization or specialized services in one area of expertise
- 3 team leader or area expert - leading project teams, or providing in-depth expertise in a number of areas of expertise
- 4 unit leader, generally managing a unit responsible for a range of services, or leading major project teams responsible for longer range projects
- 5 manager of multiple units within an organization, or senior advisor responsible for major multi-organization projects or programs - usually high representational role

Whether the ultimate number of levels is five or some other number depends on how many levels need to be identified to provide the services required by management under modern comptrollership and the new financial information strategy, and provide for a sound career progression for the financial specialists that are included in the group.

Point Rating Plan:

The point rating plan does not explicitly reflect the requirements under Section 11 of the Human Rights Act to reflect responsibility, knowledge/skill, effort, and working conditions, and thus on this basis alone, requires some modification

The world of 2002 is significantly different from the world of 1987 and the current factors of expertise (financial and managerial) nature of work, and nature of impact are not sufficiently discriminating to evaluate financial specialist positions accurately. Under financial expertise are measured the depth and breadth of financial expertise, but in ranges of activities, this might be true for some large departments, but does not reflect the reality

of most departments.

Under managerial and interpersonal expertise, there is no clear ability to reflect the modern world of partnerships, the structuring of jointly funded programs and projects, or the ability to serve as an expert in the planning and program structuring at multiple levels. This is increasingly expected at multiple levels of work, but is highly restrictive in the current rating plan.

Nature of work is too crude to reflect the complexities of the current financial management context of the Public Service, it needs re-interpretation to apply it to current work, and can be made clearer.

Nature of Impact: this factor measure a linear relationship to decision-making, but in the world of modern comptrollership and the financial information strategy, the financial specialist is supposed to be working as a partner with the manager (and hence (?) the “ultimate decision-maker”) on the implications of economic change, on identifying when the underlying economic event occurs that creates a transaction, not just when cash is received or paid, and this will call for judgement, knowledge of best practices – a higher level of potential impact than what is reflected in this factor – in addition to or replacing the current measure, and in the future what should the relative weights be on direct versus indirect budgets impacted upon.

Benchmark Position Descriptions:

Most of the current benchmark position descriptions can be used if modified to reflect an amended point rating system. However, there will be a number of new functions, that will have to be elaborated upon (the advisory functions, new specialties, etc) and incorporated into the old benchmark position descriptions, as well as entirely new position descriptions to reflect the full range of roles of financial specialists under modern comptrollership.

The TBS/APSFA ***UCS Reference Tool for Financial Officers*** (2000) could be a useful tool in developing new benchmark or reference positions for the new standard.

Annex O

PUBLIC SERVICE REFORM ACT Occupational Group Definitions Pursuant to subsection 102(1) of the Public Service Reform Act, the Treasury Board of Canada hereby provides notice that the definitions of the General Services Group and its subgroups, effective April 21, 1993, as published in Part I of the Canada Gazette, on May 8, 1993, pages 1518 to 1522, are amended and replaced by the following definitions that shall apply to the Financial Management, Program and Administrative Services, Human Resources Management, Management Trainee, and Audit, Commerce and Purchasing Groups effective March 18, 1999.

Financial Management Group Definition

The Financial Management Group comprises positions that are primarily involved in the planning, development, analysis, delivery or management of internal Public Service financial policies, programs, services or other related activities.

Inclusions

Notwithstanding the generality of the foregoing, for greater certainty, it includes positions that have, as their primary purpose, responsibility for one or more of the following activities:

3. the development, delivery, interpretation, recommendation or revision of financial management policies, practices, principles, systems or techniques;
4. the provision of advice on the financial implications of policy and program proposals and actions, including risk management and performance information and management, and the approval of the adequacy of financial safeguards in programs and activities;
5. the planning and conduct of internal financial audits;
6. the development and delivery of cost accounting models;
7. the financial planning, analysis and reporting;
8. the financial operations and services, such as the management of the accounting process and reporting of expenditures, revenues, assets or liabilities;
9. the provision of services in two or more administrative fields, one of which is financial, when the financial work is, in the opinion of the employer, of primary importance.

In allocating a position to the appropriate group, the purpose of the

position must be assessed according to all of the following criteria:

1. the impact of the financial aspects of the advice and recommendations made on the overall achievement of the organization's programs and objectives;
 2. the degree of responsibility and complexity of the financial work of the position, including the availability of, and the need to provide, financial functional direction; and
 3. the degree of specialized knowledge, skill and experience required in the work; and
10. the leadership of any of the above activities.

Exclusions

Positions excluded from the Financial Management Group are those whose primary purpose is included in the definition of any other group or those in which one or more of the following activities is of primary importance:

1. the provision of administrative services in support of Public Service policies, programs, services or other activities dealing with financial management;
2. the planning, development, delivery or management of the internal comprehensive audit of the operations of Public Service departments and agencies; and
3. the application of a comprehensive knowledge of generally accepted accounting principles and auditing standards to the auditing of the accounts and financial records of individuals, businesses, non-profit organizations, or provincial or municipal governments to determine their accuracy and reasonableness, to establish or verify costs, or to confirm the compliance of transactions with the provisions of statutes, regulations, agreements or contracts.

Annex P

Financial Administration Group Definition. (from *Classification Standard: Financial Administration, Administrative and Foreign Service Category*. Ottawa: TBS Personnel Policy Branch, 1987. p. 4

The planning, direction, execution and control of financial administration programs.

Inclusions

Positions allocated to the group are those with continuing responsibility for a financial administration activity established to serve the requirements of management. Positions require the exercise of discretion in the development, recommendation, interpretation or application of financial administration policies, principles, practices or techniques. Activities include, but are not restricted to :

1. advice on the financial implications and impact of management proposals and actions
2. financial administration systems operations and services such as accounting control and reporting of revenue and expenditures
3. financial planning and analysis
4. financial policy and systems development, interpretation, implementation, and maintenance;
5. planning, execution and control of internal financial audits; and
6. advice on and approval of the adequacy of financial controls in programs.

Also included in the group are positions providing internal management services in two or more administrative fields, one of which is financial, when the financial aspect of the duties is, in the opinion of departmental management, of primary importance. These positions must be considered in relation to all of the following criteria in order to determine their proper allocation:

1. The impact of the financial aspects of the duties of the position on the overall achievement of the organization's programmes, objectives, and goals; the effect or impact of poor advice and recommendations;
2. The degree of responsibility, difficulty or complexity of the financial duties of the position including the availability of and the need to provide strong financial functional direction;
3. The degree of specialized knowledge, skill and experience needed to undertake the duties; and
4. The acknowledgement by senior management, of the relative importance to the

organization of the financial duties, following consideration of the recommendation of the departmental senior financial officer or authorized representative.

The relative amount of time spent on the financial duties of the position, and the order in which these duties are described, may be useful indicators, for allocation purposes but these two indicators are not the critical criteria to decide whether or not the financial duties are of primary importance.

Exclusions

Positions excluded from the group are those in which the primary duties are included in the definition of any other group, such as

5. operational control of programmes for the assessment of taxes from the public;
6. the performance of clerical tasks according to established methods, procedures and precedents;
7. the application of regulations or the provision of services in accordance with established instructions and guidelines; and
8. the supervision of the performance of the foregoing duties.

Note to raters:

Delegated authority to sign pursuant to Section 26 of the Financial Administration Act does not automatically imply that a position must be allocated to the FI Group.

Annex Q

Audit, Commerce and Purchasing Group Definition, March 27, 1999

The Audit, Commerce and Purchasing Group comprises positions that are primarily involved in the application of a comprehensive knowledge of accepted accounting principles, and auditing standards to the planning, delivery and management of external audit programs; the planning development, delivery and management of economic development policies, programs, services, and other activities; and the planning development, delivery and management of policies, programs, systems, or other activities dealing with purchasing and supply in the Public Service.

Inclusions

Notwithstanding the generality of the foregoing, for greater certainty, it includes positions that have, as their primary purpose, responsibility for one or more of the following activities:

9. *audit* - the application of a comprehensive knowledge of generally accepted accounting principles and auditing standards to the auditing of the accounts and financial records of individuals, businesses, non-profit organizations, or provincial or municipal governments to determine their accuracy and reasonableness, to establish or verify costs, or to confirm the compliance of transactions with the provisions of statutes, agreements, or contracts.
10. —
11. ----
12. the provision of advice in the above fields; and
13. the leadership of any of the above activities.

Annex R

Law Group Definition, March 27, 1999

The Law Group comprises positions that are primarily involved in the application of a comprehensive knowledge of law to the performance of legal functions.

Inclusions:

Notwithstanding the generality of the foregoing, for greater certainty, it includes positions that have, as their primary purpose, responsibility for one or more of the following activities:

14. The provision of legal advice; the preparation of contracts, leases, and other legal documents, the representation of litigants; and the provision of legal research and editing services
15. The drafting and interpretation of legislation; and
16. The leadership of any of the above activities.

Also included are positions in the Department of Justice requiring the performance of legal functions pursuant to the *Department of Justice Act*.

Exclusions

Positions excluded from the Law Group are those whose primary purpose is included in the definition of any other group.

Also excluded are positions that require the interpretation of regulations, the drafting of contracts, leases or other legal documents, or the conduct of studies and in which a comprehensive knowledge of law is desirable but not mandatory.

Annex S

Economics and Social Science Services Group Definition, Canada Gazette, March 27, 1999, pp 823-24

The Economics and Social Science Services Group comprises positions that are primarily involved in the conduct of surveys, studies and projects in the social sciences; the identification, description and organization of archival, library, museum and gallery materials; the editing of legislation or the provision of advice on legal problems in specific fields; and the application of a comprehensive knowledge of economics, sociology or statistics to the conduct of economic, socio-economic and sociological research, studies, forecasts and surveys; the research, analysis and evaluation of the economic or sociological effects of departmental or interdepartmental projects, programs and policies; the development, application, analysis and evaluation of statistical and survey methods and systems; and the development, analysis and interpretation of qualitative and quantitative information and socio-economic policies and recommendations.

Inclusions

Notwithstanding the generality of the foregoing, for greater certainty, it includes positions that have, as their primary purpose, responsibility for one or more of the following activities:

17. the conduct of surveys, studies, projects and tests requiring a practical knowledge of a specialized field such as economics, history, law or psychology and requiring the development of specialized techniques and procedures, or the development and use of related processing applications, or the interpretation of findings;
2. the identification, description, classification, organization and location of archival, gallery, library or museum materials; or the creation, manipulation, verification, analysis and transmission of descriptive records pertaining to such materials, both of which require a practical knowledge of the subject matter;
3. the editing of legislation or the conduct of studies in matters such as land conveyancing, expropriation, litigation and labour relations requiring a practical knowledge of the specific legal area to interpret findings or prepare submissions;
4. the application of a practical knowledge of a specialized field such as economics, history, law or psychology to the use and modification or adaptation of computer systems, utilities or software;
5. the application of a comprehensive knowledge of economics, sociology or statistics to economic, socio-economic or sociological studies, forecasts and surveys in a variety of subject areas in domestic and/or international settings;
6. the application of a comprehensive knowledge of economics, sociology or statistics to the development, application and evaluation of statistical and survey methods and indicators for use in natural or social science research projects, or in the planning of surveys and

censuses or in the determination of statistical measures and techniques for data analysis and reporting;

7. the provision of advice in the fields of economics, sociology and statistics; and
8. the leadership of any of the above activities.

Exclusions

Positions excluded from the Economics and Social Science Services Group are those whose primary purpose is included in the definition of any other group or those in which one or more of the following activities is of primary importance:

1. the operation, scheduling or controlling of the operations of electronic equipment used in the processing of data for the purpose of reporting, storing, extracting and comparing information or for solving formulated problems according to prescribed plans;
2. the collecting, recording, arranging, transmitting and processing of information, the filing and distribution of information holdings, and the direct application of rules and regulations;
3. the planning, development, delivery or management of policies, programs, services or other activities directed to the public or to the Public Service;
4. the explanation, promotion and publication of federal government programs, policies and services;
5. the application of a comprehensive knowledge of mathematics to the development or application of mathematical and analytical methods, including those of mathematical statistics; and
6. the planning, development, delivery and management of economic development policies, programs, services and other activities designed to promote the establishment, growth and improvement of industry, commerce and export trade and the regulation of trade and commerce.