TBS

Briefing Note

Office of the Treasury Board Division
REQUEST FOR APPROVAL FOR PROMOTIONAL SALARY INCREASE FOR PAULINE FONG, SENIOR FINANCIAL ANALYST (AFA 21)

Purpose:

To seek Deputy Minster approval to offer a promotional increase to the home base salary (AFA 21) salary for Pauline Fong, retroactive to June 1, 2016. This increase would reflect additional responsibilities addressed by Pauline during the 2015-16 Public Accounts process related to the Auditor General's audit of the province's accounting for pension assets, on-going support for the Pension Asset Expert Advisory Panel and related implications for the fiscal planning process.

Business Case:

With regards to the promotional increase to Pauline Fong's home base salary, SMG Compensation Program, 7.6 Lateral Responsibility Incentive (LRI), would allow for a 3% increase in Pauline's home base salary to reflect her additional responsibilities during the 2015-16 Public Accounts process related to pension-related accounting issues, support for the Pension Asset Expert Advisory Panel and support for the upcoming fiscal planning process as related to pension accounting.

Under the Lateral Responsibility Incentive, the Deputy Minister has the authority to approve, in specific exceptional circumstances, up to 3% increase to base salary, up to but not exceeding the salary range maximum, for lateral transfers on either a temporary or permanent basis, based on the following criteria:

- there is a critical organizational need to fill the position;
- the assignment is for a minimum of 6 months to a position with a broader scope and/or scale of responsibility than current position;
- the position performs management functions; and the employee's past performance has been rated as "outstanding" or "fully effective".

The skill set and experience required to effectively support complex accounting analysis related to the province's pension plans is not readily replaceable inside or outside the OPS. During the 2015-16 Public Accounts audit, the Auditor General challenged the historical accounting treatment for Ontario's jointly sponsored pension plans. It was, and continues to be, critical that Treasury Board Secretariat have the necessary resources to leverage in addressing these challenges effectively and on a timely basis. The results of the Expert Advisory Panel could have a significant impact on the province's fiscal position. Pauline has been actively involved in helping to provide input in preparation for the Panel's deliberations, and supporting both internal and external stakeholders in assessing implications of potential changes in accounting for defined benefit pension plans on the province's books.

As the subject matter expert on pension accounting in the Office of the Provincial Controller, Pauline is also the reference resource overseeing the work of others on complex matters related to pension accounting as well as other complex matters. The level of risk, challenge and responsibility associated with pension-related work is substantially broader than normally expected to be addressed by senior financial analysts in OPCD. Pauline's performance has always been assessed as fully effective or outstanding.

Background:

- During the 2015/16 Public Accounts audit, the Auditor General expanded upon her originally communicated audit scope to review the Province's accounting treatment for jointly sponsored pension plans (Ontario Teachers' Pension Plan and the OPSEU Pension Plan). In addition to Pauline's already heavy schedule for Public Accounts, she was tasked with working with internal and external stakeholders to compile and analyse support to address the Auditor General's questions. Initially, Pauline's efforts related to an actuarial valuation undertaken at the Auditor General's request. Subsequently, Pauline provided support to senior management and external advisors on matters related to comparative discount rates, accounting practices in other jurisdictions, and fiscal impact scenario analysis.
- Pauline Fong joined the OPS on July 2, 2008. She has been an instrumental member of the Accounting Policy and Financial Reporting Branch, and is often called upon by Employee Relations Division and other stakeholders to provide expert advice on both accounting and fiscal impact analysis.
- Pauline's current salary is $96,442. After the proposed increase, Pauline's salary would be $99,336 which is within the AFA 21 range of $76,727 - $100,240.

In order to acknowledge:

- The level of complexity, challenge and critical impact of pension-related analysis and support provided by Pauline Fong, it is proposed that the Deputy Minister approve a 3% increase in Pauline's base salary retroactive to June 1, 2016, representing a lateral responsibility incentive, increasing Pauline's home base salary from $96,442 to $99,336.

Recommended Action:

- It is proposed that the Deputy Minister of Treasury Board Secretariat approve this request to increase the home base (AFA 21) salary of Pauline Fong to $99,336 retroactive to June 1, 2016. Once approved, amended WEAR form will be processed amending Pauline's salary back to the date noted above.

Prepared by: Nadine Petsche
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Office of the Provincial Controller Division
November 14, 2016

Approved by: ______________________

Karen Hughes
Associate Deputy Minster, TBS
Date: November X, 2016

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Helen Angus
Deputy Minister, TBS
Date: November X, 2016