

Operating Plan and Proposed Budget for the First Two Years

fao | Financial
Accountability
Office of Ontario

JUNE 2015 \ FAO-ON.ORG

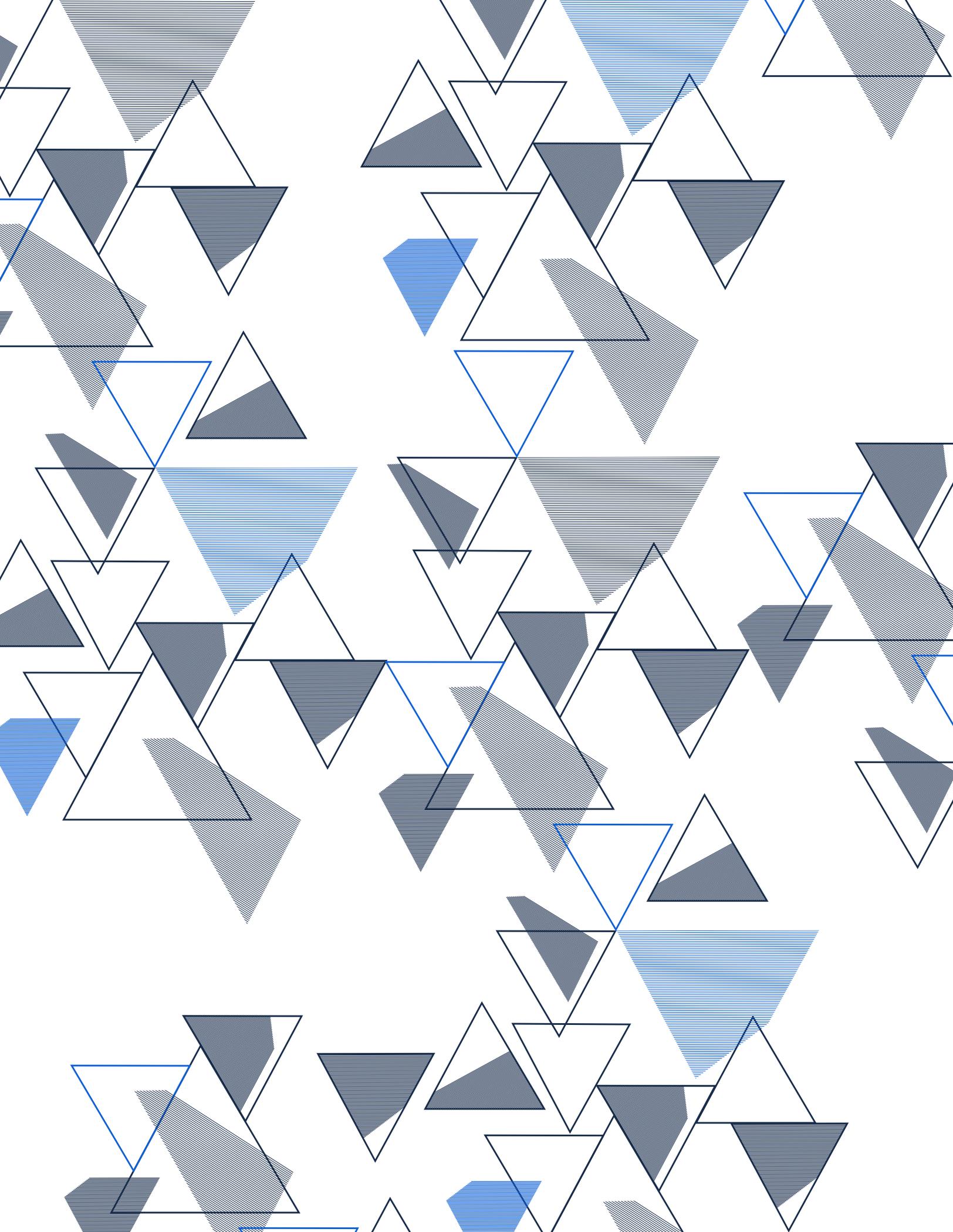


Table of Contents

1\ Context	1
2\ Independence and Non-Partisanship	3
3\ Relationship with the Legislature	5
4\ Relationship with the Executive	7
5\ Research and Analysis Workplan	9
6\ Organizational Structure	11
7\ Corporate Administrative Support	15
8\ Budget Plan for First Two Years	19
9\ Performance Evaluation Framework	23
References	24
Appendix	25

Vision Statement

A global leader in fiscal management research and analysis.

Mission Statement

Strengthen fiscal management in Ontario by providing legislators with relevant and timely information that will inform legislative debate.

1/ Context

- + No revenues can be collected, nor money spent, without the consent of the legislature. The scrutiny and approval of the Executive branch of the government's fiscal and economic plan is arguably the Legislature's most important function.
- + The past decade has witnessed significant growth in the genesis of independent fiscal institutions (IFIs) to support legislators in their fiscal and economic deliberations. As noted by the International Monetary Fund (IMF), the precise motivation for the creation of these institutions varies from jurisdiction to jurisdiction (Debrun et al. 2013).
- + At the same time, all share a common objective of providing elected officials and the public with independent financial and economic analysis of importance to the legislature. The analysis provides additional information to support debate on important issues. IFIs are an additional window into the world of public finance.
- + More concretely, the IMF and Organization for Economic Cooperation and Development (OECD 2012, OECD 2014) assert that through their research and analysis, IFIs can improve a jurisdiction's fiscal and long-term fiscal sustainability by "rais[ing] reputational and electoral costs of undesirable policies and broken commitments" (Debrun et al. 2013).
- + In 2013 the Legislative Assembly of Ontario passed the *Financial Accountability Officer Act, 2013* (the Act). The Act created the position of Financial Accountability Officer; established the mandate of the Officer; the process of hiring for the position; and created the administration of the Financial Accountability Office (FAO).
- + The mandated responsibilities of the Officer include: analysis of the financial position of the Province and the provincial and national economies; research into estimates of the Province; and analysis of the financial costs and benefits of any bill before the Legislature, as well as any proposal or matter over which the Legislature has jurisdiction.
- + The following sections outline the protocols and procedures established by the FAO to implement the provisions of the Act, as well as provide legislators with relevant and timely information that will inform legislative debate. The following operational framework broadly follows the recommendations of the OECD (OECD 2014). However, it is also informed by the particular institutional characteristics of the Ontario Legislature and public sector, as well as the existing fiscal framework for the Province of Ontario. With respect to the latter, this most notably includes the *Fiscal Transparency and Accountability Act, 2004*.

The most important factor in the success of the FAO is its perceived independence and non-partisanship.

2/ Independence and Non-Partisanship

- + The *most* important factor in the success of the FAO is its perceived independence and non-partisanship. Legislators, and the broader public, must have the confidence that the FAO's products are free from political bias.
- + The Act prescribes mechanisms to safeguard the Officer against any perceived political bias. This includes an appointment process that requires the consensus of parties recognized in the Assembly (section 4 (2) of the Act), and prohibitions on "any work or hold[ing] any office that interferes with the performance of his or her duties" (section 2 (5) of the Act).

Selection Process for Staff

- + Similar expectations will be extended to all staff of the FAO. More specifically, all employees will be required to refrain from other work or responsibilities that could be reasonably seen to undermine their perceived impartiality or independence. This includes refraining from active participation in politics, as well as other forms of advocacy that could undermine their perceived objectivity. As a condition of employment, all staff will respect the provisions of the Ontario Legislative Assembly's Code of Conduct.
- + All FAO staff will be selected on the basis of merit and technical competence, without reference to political affiliation. Qualifications will be made explicit — including professional standing and relevant government, academic or private sector experience. Qualifications will include proven competencies in economics and public finances, and familiarity with the budget process.

Selection Framework for FAO Projects

- + Legislative demand for FAO research and analysis will outstrip the available resources. As such, the FAO will implement a normative "materiality" filter to select projects. This materiality filter reflects the definition used by the International Accounting Standards Board (IASB 2015) and is predicated on the Financial Accountability Officer's professional judgment of whether the results of the proposed analysis would reasonably be expected to influence legislative debate, as well as consideration of the breadth of impact.
- + More detailed guidelines for the selection of projects will be developed in consultation with legislators.
- + Given that the Executive is responsible for initiating major fiscal and economic initiatives, the FAO's workplan will include new initiatives brought forward in the Budget. More details are provided in the following section.



3/ Relationship with the Legislature

- + Pursuant to the Act, the Officer is an officer of the Legislative Assembly (section 2 (1) of the Act). In practice, this will mean that the FAO places strong emphasis on the interests and needs of these primary clients.
- + Administratively, the Officer will prepare a budget each March for the coming fiscal year, which will be sent to the Legislature for its consideration (section 5 (1) of the Act). The Budget proposal will contain an overview of the work completed in the previous fiscal year. This overview will be the basis on which the annual report is prepared (section 14 of the Act).
- + Regarding the prospective workplan of the office, the Act provides the Officer with both proactive and reactive aspects of his mandate. With respect to the former, self-initiated projects will include analysis of the Executive's economic and fiscal plan (the Budget) and providing decision-support information for legislative deliberations.

Legislative Request Process

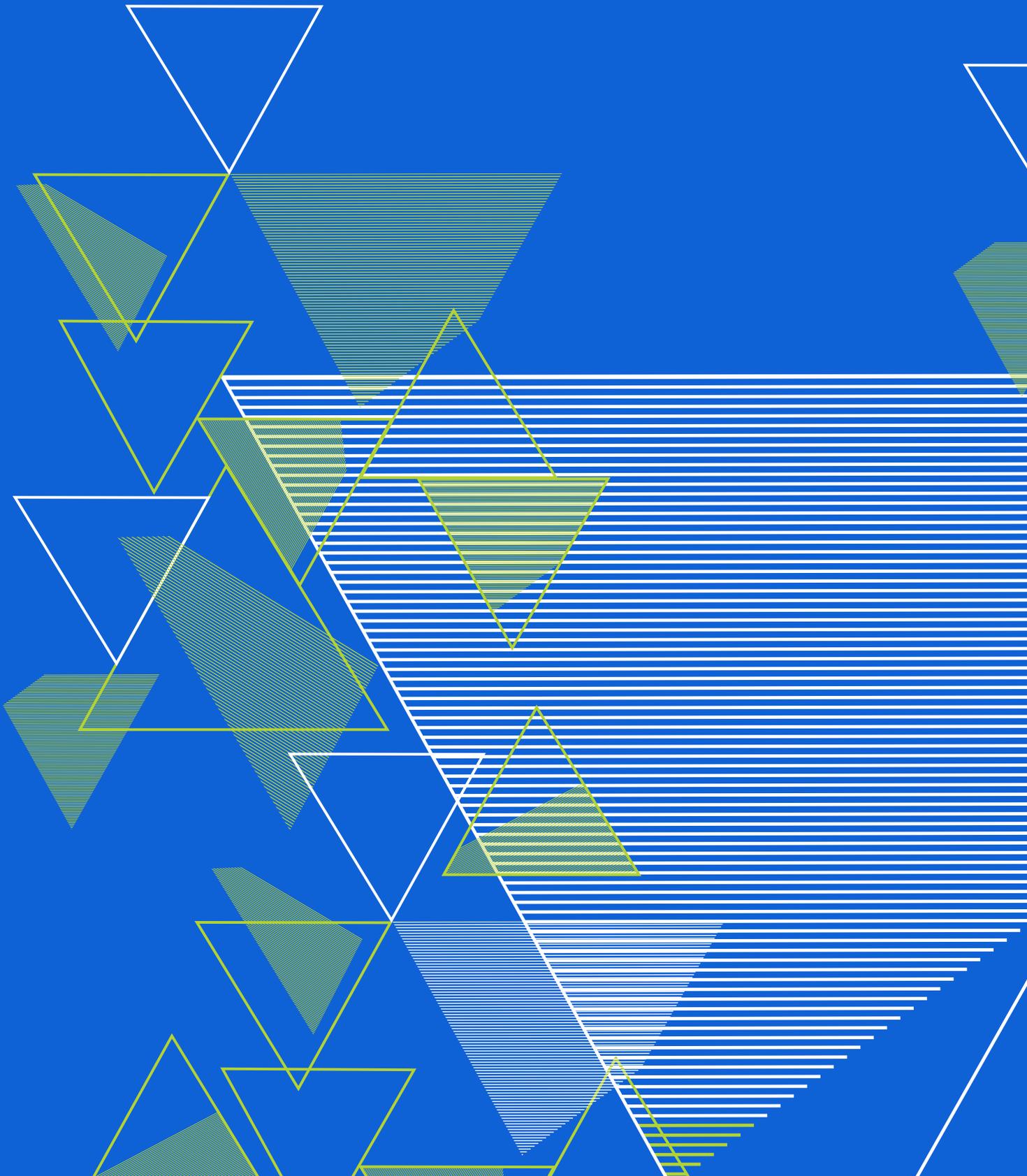
- + With respect to the latter, legislators will be able to request that the Officer undertake specific types of analytical work. When a request is received, the Officer will assess the materiality of the issue and if deemed sufficiently material, prepare a terms of reference (TOR) to address the member's question. If the request is deemed not material, the Officer will provide, in writing, the basis for the decision.
- + The TOR will identify the hypothesis being tested, methodology to be used, data required to support the work, by whom the data are held, timelines for project completion, and proposed resources.

Process to Disseminate Reports

- + While requests are confidential, all final reports will be published on the FAO website to ensure that all MPPs and committees are able to benefit from the analysis. Consistent with the Act, the Officer will ensure that reports are shared with the relevant Minister or Ministry shortly prior to their release (section 15(1) of the Act). The Officer will contact the Clerk of the Executive Council, Head of the Ontario Public Service (OPS) in advance of a report's release to confirm the "relevant" Ministry(ies).

Other Formal Mechanisms to Communicate with Clients

- + Consistent with the Act, the Officer will attend the Standing Committee on Finance and Economic Affairs at the request of the Committee.



4/ Relationship with the Executive

- + While the FAO's primary clients are the elected members of the Legislative Assembly, the Executive is nonetheless a vital stakeholder. Many of the data and part of the specialized expertise required to fulfill the Officer's mandate resides within the OPS.

Data and Information Access

- + With respect to data and information access, the Act provides that, with few exceptions "every ministry of the Government of Ontario and every public entity shall, on request, give the Financial Accountability Officer, free of charge and in a timely manner, any financial, economic or other information that is in the custody or under the control of the ministry or the public entity and that the Financial Accountability Officer believes to be necessary to perform his or her duties" (section 12 (1) of the Act).
- + Building on the Act, the Officer will work with the Clerk of the Executive Council and other Deputy Ministers to negotiate a Memorandum of Understanding (MoU) regarding the process, timelines, and dispute resolution mechanisms for FAO information requests. It will also include provisions for the sharing of expertise where specialized knowledge rests within the OPS, which cannot be obtained elsewhere (such as through retaining specialized consultants, or advice from other jurisdictions).
- + Consistent with the example of the Australian Parliamentary Budget Office, the MoU will place emphasis on "facilitat[ing] the formation of a collaborative, productive and collegiate working relationship" creating the FAO and the OPS (Australian Parliamentary Budget Office, 2012). This includes creating a robust, informal dispute resolution mechanism.
- + As part of its annual report, the FAO will include data regarding the number of information requests initiated and the results of those requests.

Secondments and Other Work Arrangements

- + Consistent with the experience of other jurisdictions, it is expected that a proportion of FAO staff will be drawn from the OPS. As such, the Officer will explore options to negotiate a formal understanding with the Clerk of the OPS recognizing the beneficial knowledge transfer arising from short-term (2 year to 3 year) secondments.

The majority of the FAO's work will focus on analysis of the Government's medium-term economic, fiscal and financial assumptions set out in the Budget.

5/ Research and Analysis Workplan

- + The FAO will have a regular, ongoing workplan that rests on three pillars:
 - ++ short-term, in-year current analysis of the Government's fiscal and economic plan;
 - ++ medium-term financial, fiscal and economic analysis; and,
 - ++ long-term fiscal sustainability projections.

Short-Term Current Analysis

- + The FAO will produce regular reports on the implementation and results of the annual Budget. These reports will highlight material changes to underlying economic and fiscal assumptions originally set out in the Budget, and the consequential impact on the overall fiscal plan (for example, the surplus/deficit, borrowing requirements, overall net financial debt).
- + It is anticipated that these reports will begin in fall 2015.

Medium-Term Analysis and Projections

- + The majority of the FAO's work will focus on analysis of the Government's medium-term economic, fiscal and financial assumptions set out in the Budget.
- + Similar to the short-term analysis, the economic and fiscal analysis will focus on an annual post-Budget report. This report will analyze the economic and fiscal assumptions that have the primary influence on overall fiscal results. Furthermore, where the Officer assesses that these assumptions could be subject to uncertainty or risk, alternate scenarios will be presented.
- + The first post-Budget report will be prepared in spring 2016.
- + The medium-term financial analysis will also focus on preparing detailed projections of new policy measures presented in the Government's annual Budget. This financial analysis will provide an independent, microeconomic assessment of the revenue and expenditure impacts of new major initiatives and proposed legislation.
- + These reports will generally be published in the year following release of the Budget. Where possible, the reports will be presented in a timely manner to support legislative deliberations on resource allocation decisions (for example, appropriation bills) or new legislation.

- + The first financial analysis report will be released in fall 2015, based on the measures proposed in the 2015 Ontario Budget.
- + Requests from legislators and legislative committees regarding the costing of proposals will be prepared in a medium-term (5-year) framework.

Long-Term Analysis

- + The FAO will publish an annual long-term Fiscal Sustainability Report, based on the methodology used by the United Kingdom's Office for Budgetary Responsibility (OBR, OBR 2014).
- + The first Fiscal Sustainability Report will be published in fall 2016.



6/ Organizational Structure

- + Drawing on the experiences of other IFIs, the FAO will be structured as a flat organization with relatively limited hierarchy (OECD 2012). This will support greater productivity on the part of staff. In addition, drawing on best practices from other IFIs, emphasis will be placed on investing more time in research and analysis, rather than internal processes and administration.
- + The interim organizational chart is presented in Figure 6-1. The organizational chart is subject to change, based on the ability of the Officer to recruit staff and the evolving demands from legislative clients.
- + As is evident from the chart, the organizational structure draws on the demonstrated, effective practices of other IFIs by focusing resources on more experienced research and analytical staff (OECD 2012). Also drawing on the practices established in other jurisdictions, all non-administrative staff (all personnel except for the Executive Assistant, Administrative Assistant, and Logistics) are responsible for undertaking and conducting research.

Role of “Management” Level Technical Staff

- + More specifically, all technical staff (Senior Economists, Directors, Senior Directors, Chief Economist, Chief Financial Analyst, Financial Accountability Officer) will be responsible for leading and coordinating research projects. The key differentiator among research staff will be the years of experience, training, and responsibility for performance management, with more senior personnel having commensurately greater amounts.

Compensation and Benefits

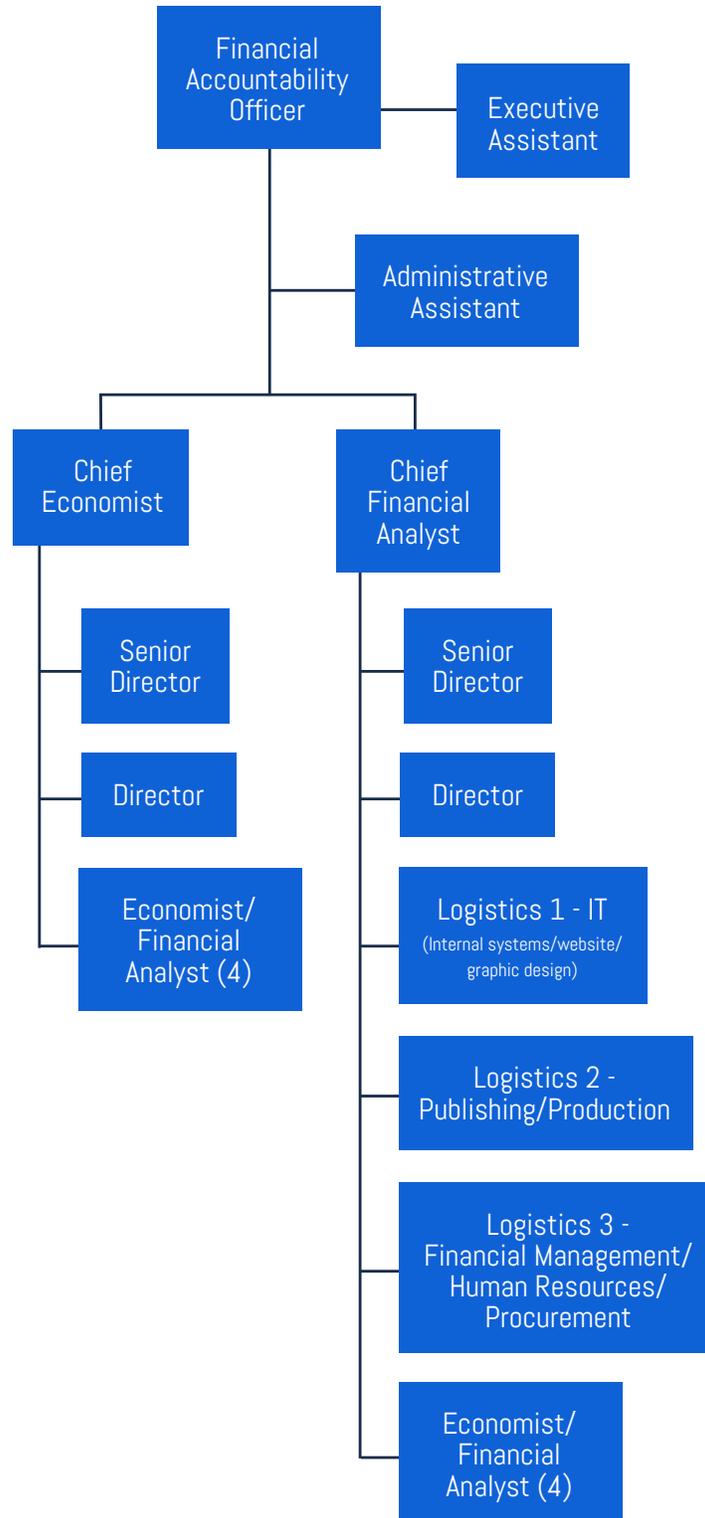
- + The Act prescribes that salaries of FAO staff are comparable to those in the OPS (section 8 (2) of the Act). Similarly, the Act also prescribes that employee benefits and pensions will also be comparable to the OPS (section 8 (3), 8 (5) of the Act).
- + Consistent with this compensation framework, the job descriptions and responsibilities of staff will be similar to those in the OPS. At the same time, job descriptions for “management” personnel will place emphasis in “doing” work, in addition to “managing” work.

Recruitment Strategy

- + Recruitment of technical staff will be focused on economists, financial analysts and accountants. All of these professionals have mobility between the public and private sectors. In most cases, the public sector salaries (and those of the FAO) will be lower than those in the private sector. Furthermore, attempting to recruit these professionals from outside of Toronto will also need to overcome a higher cost of living.

FIGURE 6-1

Initial Organizational Chart of the Financial Accountability Office



- + As noted earlier, to be successful the FAO will require many of the same skill-sets that are resident in the OPS. As such, the Officer will seek to reach a common understanding with the Clerk of the OPS regarding the mutual benefits of medium-term (2 year to 3 year) secondment agreements.
- + As medium-term secondment agreements may comprise a significant component of the FAO's analytical/research staff, the Officer will plan to recruit a Chief Economist and Chief Financial Analyst on a more permanent basis. This will support succession planning in the office and provide a basis for institutional memory.
- + Corporate and administrative staff will also be recruited and retained on a permanent basis. This will provide stability and consistency with respect to the FAO's processes and management.
- + Given that compensation will be roughly comparable to those in the OPS, the FAO will attempt to differentiate itself by providing technical staff with unparalleled flexibility regarding work arrangements. This includes encouraging flexible hours within the office and telework arrangements. Strong emphasis will be placed on "getting the work done", rather than simply "being at a desk".
- + The appendix presents a job description for a working-level analyst in the FAO, a Senior Economist/Senior Financial Analyst. This job description serves as a template for all FAO analytical staff. Many of the responsibilities will be recapitulated within the job descriptions for more experienced analytical staff.





7/ Corporate Administrative Support

- + As an independent officer of the Ontario Legislative Assembly (OLA), the Act provides authority for the Officer to procure the corporate administrative services necessary to undertake his or her mandate.
- + Unless the Officer explicitly opts out from and develops policies regarding corporate administrative support services, those of the OLA are assumed to apply.
- + Given the ongoing fiscal challenges faced by Ontario, as well as the need to prudently and carefully manage public money, the FAO will rely on existing corporate administrative support provided by the OLA wherever practicable. At the same time, consistent with the Act the Officer reserves the right to implement policies where deemed necessary to fulfill legislative obligations.
- + For more clarity, in general, the operating principles of the FAO provide that the resources will be targeted toward the professional technical skills required to fulfill the Officer's legislative mandate. As a consequence, resources for overhead will be sourced from the least cost means available, provided they meet with the principles of the applicable OLA policies.

Human Resources

- + Initially, existing staff with the OLA will provide human resource administrative support. This relationship may change in the future depending on workload and the ability to enter into a service level agreement.
- + In general, the standard terms and conditions for other non-political OLA employment contracts will apply to FAO staff. As well, other human resource policies for non-political OLA staff will also apply, unless the Officer explicitly opts out from said policies.

Financial Management

- + The Executive Assistant to the FAO will perform internal accounting and financial management support. Existing OLA staff will perform financial administration, including the management of budgets, preparation of cheques, and tracking of the Chart of Accounts.
- + As noted earlier, no resources for the additional work undertaken by OLA staff are being requested at this time. Funding considerations will be deferred until service level agreements have been negotiated.
- + In general, the OLA's standard financial management policies (for example, petty cash and expense claims) will apply to the FAO, unless the Officer explicitly opts to establish alternative standards.

Information Technology

- + The FAO will obtain its own internal capacity to manage information technology (IT) needs. This includes desktop support, management and support of IT peripherals and mobile devices, the operation of an independent secure server and network, as well as the management of the website and on-line presence (social media).
- + The FAO will develop its own IT policies. Prior to their development, the existing policies of the OLA will apply.

Office Space

- + The FAO will procure its own class A/B office space. To ensure responsive service to core legislative clients, this space will be within walking distance of Queen's Park.

Communications

- + The FAO will develop its own communications policy to govern external communications with non-legislative stakeholders, such as the media, civil society and the public.
- + As noted by the OECD, "given that the influence of IFIs in fiscal policy making is persuasive (rather than coercive by means of legal sanctions or other punitive measures), media coverage of their work assists in fostering informed constituencies that may then exercise timely pressure on the government to behave transparently and responsibly in fiscal matters" (OECD 2014).
- + A guiding principle for all FAO communications will be to present, explain and (where necessary) defend its analysis, and then "get out of the way" to allow elected officials debate the policy/political implications. As well, FAO communications will be focused on its analytical products. The FAO will refrain from opining on the reports and analyses of other organizations.
- + In the short-term, outside assistance will be sought from experts to establish the FAO's communications management framework, including its approach to social media. Over the longer-term, communications may be managed internally by FAO staff.
- + Given that the Act provides only the Officer with a legislative mandate, the Officer is the exclusive individual who will speak "on the record" with media for the FAO. Other FAO staff may speak on "background" with media (that is, not for attribution), with the consent of the Officer.

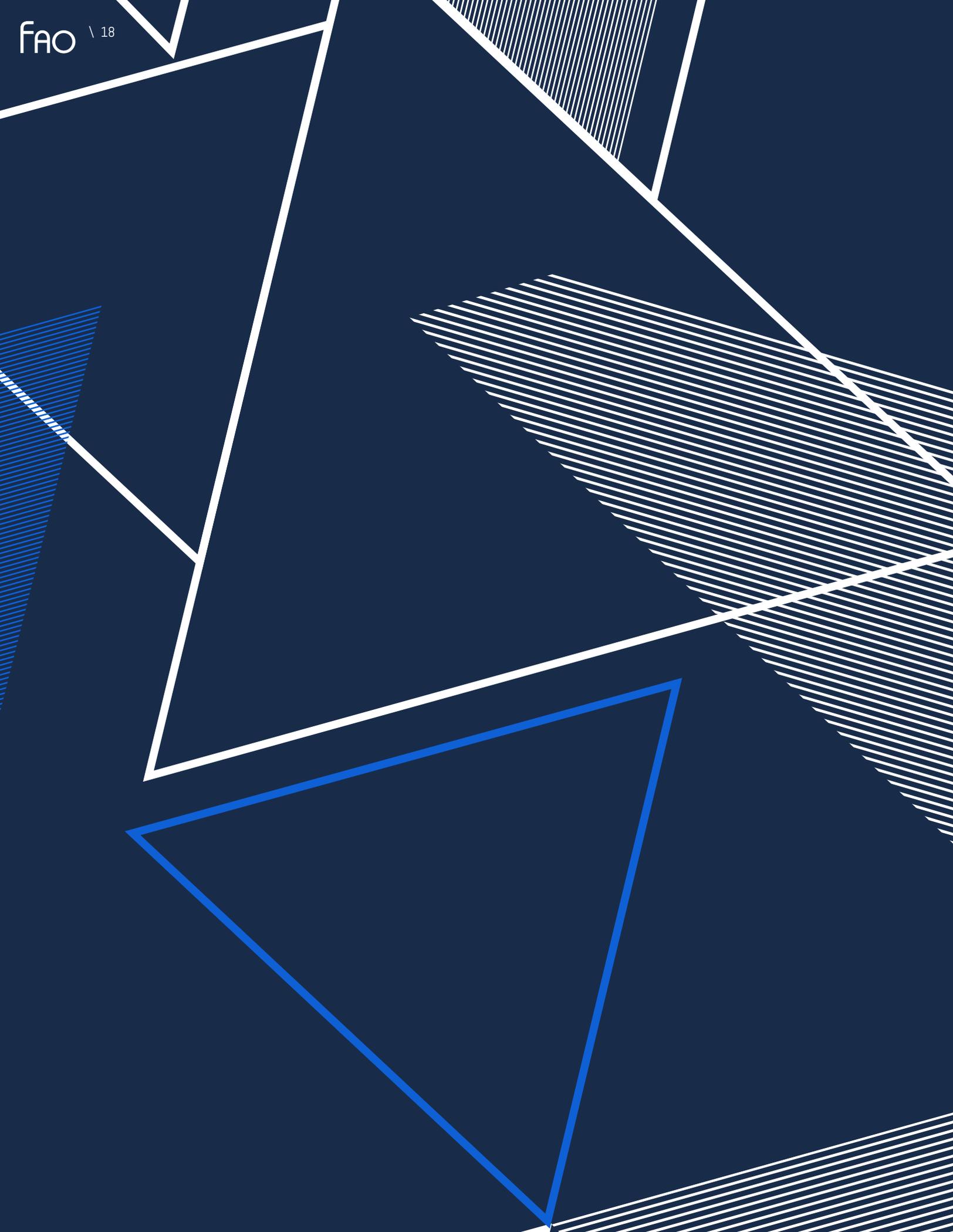
Procurement

- + Initially, existing staff with the OLA will provide human resource administrative support. This relationship may change in the future depending on workload and the ability to enter into a service level agreement.
- + In general, the standard terms and conditions for procurement of goods and services by the OLA will apply to the FAO, unless the Officer explicitly opts out from said policies.

Legal and Other Non-Core Support

- + Also required on an on-going basis will be legal support. Initially this will be contracted out. In-house support will only be considered if, in the future, the volume of activity makes it economical to move these functions.
- + Additional contracts will also be used for issue specific expertise required by the FAO.





8/ Budget Plan for First Two Years

- + The proposed budget for the first two years of the FAO is based on the experiences of IFIs in other jurisdictions, the professional judgment of the Officer, as well as the explicit expectations of legislators (that is, clients).
- + The first two years represent a “building” period for the FAO. The first year, 2015-16, is the “start-up” phase. During this time, considerable effort will be expended to establish the administrative footings of the FAO. In addition, the FAO will recruit its initial technical staff, which will lead the production of the FAO’s first reports in fall 2015.

Start-Up Phase: 2015-16

- + Fulfilling the mandate of the Act requires economic modeling and information management tools and services for the publishing of reports electronically and in hardcopy.
- + Assessing the government’s economic and fiscal forecasts can be performed with fewer than ten professional staff. Developing independent economic and fiscal forecasts can exceed twenty professional staff (IMF 2013).
- + Experience from other IFIs is that assessment and development of fiscal and economic forecasts are less resource intensive than that of costing policy and program initiatives (IMF 2013). Costing of policy and program initiatives requires expertise in financial analysis, revenue and expenditure management, and forecasting. The development of the policies and programs by Government draws from considerable expertise, information and models resident in ministries. The FAO undertaking this type of analysis from scratch would require a prohibitive number of professional staff to replicate processes and models already in place in ministries. As noted earlier, the ability of the FAO to undertake the analysis is therefore dependent on the willingness of ministries to work with the FAO.
- + To reduce cost exposure of the FAO, for the foreseeable future the focus of the Office will be on assessment of fiscal and economic conditions and assumptions rather than developing the Office’s own macroeconomic and revenue models.
- + The other factor affecting staffing levels is the volume of requests. During the “start-up” period of the FAO, staffing capacity is a strong limit on the number of requests that can be handled. Beyond the start-up period, staffing and resourcing will still limit the number of projects.

Staffing and Salary Expenses

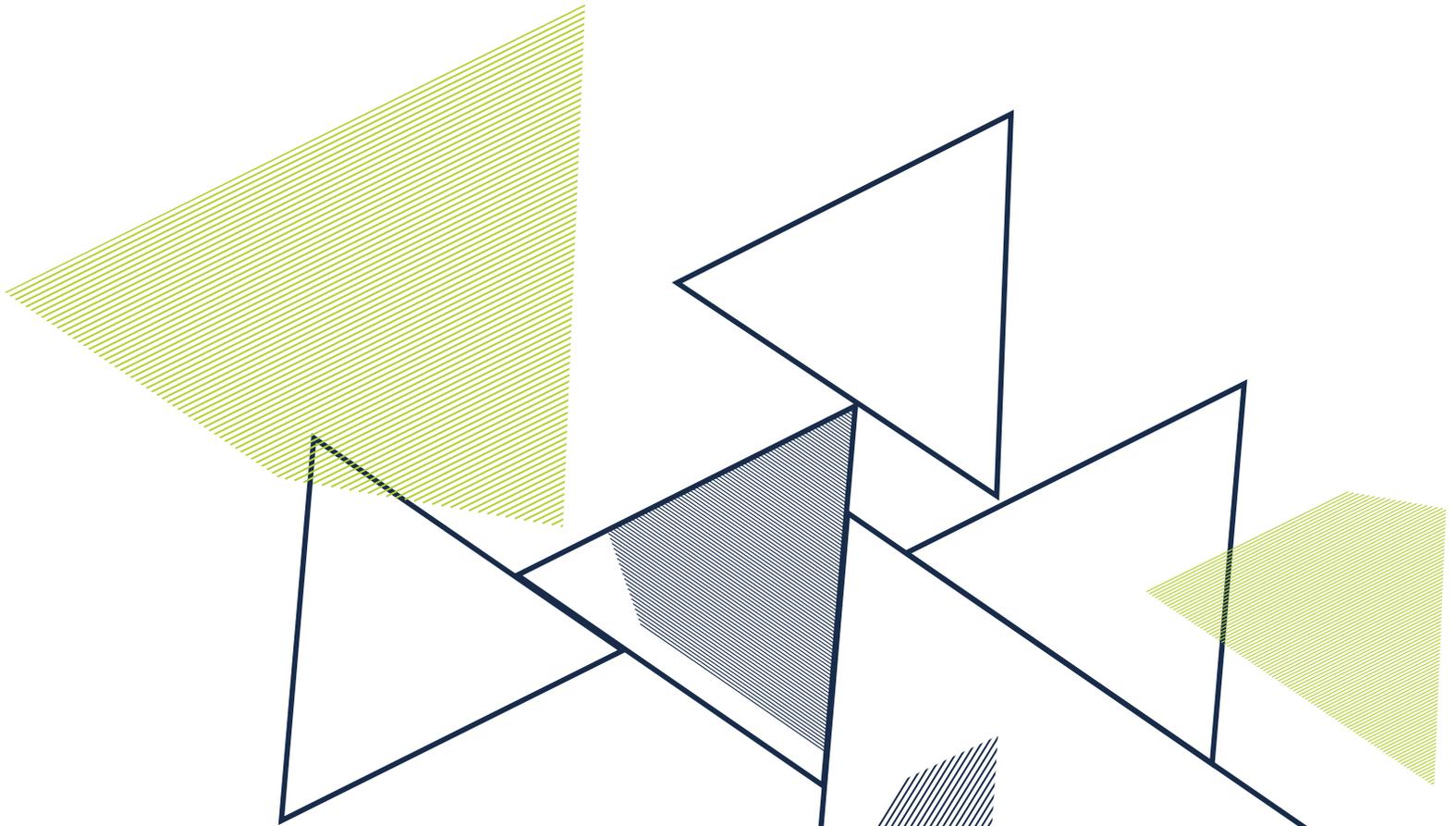
- + Salaries and benefits will comprise the majority of the FAO's expenses. The planned staffing levels for the Economic and Fiscal functions of the FAO is a Chief Economist, a Director of Economics and 4 other Economists at either the level of senior economist or economist. For Financial Analysis functions staffing will include a Chief Financial Analyst, a Director of Policy and 6 others composed of a mix of Economists/Financial Analysts.
- + Production, reporting and information management functions require up to three logistics staff: an IT Specialist, a Production Specialist; and, a generalist to handle administration of human resources, procurement and financial management.
- + The heavy reliance on data and information management requires the continued support of an IT specialist. The Production Specialist will be responsible for the development of printed and web-based reports and other outputs of the Office. Depending on workload, the organizational chart provides for another full-time-equivalent (FTE) administrator to coordinate the operations of the FAO with OLA corporate and administrative services.
- + An Administrative Assistant will support all FAO staff. The budget also provides for an intern to support education and outreach to the academic community.

Non-Salary Expenses

- + As an economic and financial analysis shop, significant investments are required in computing hardware and software. Computer processing and storage capacity are required to run multivariable economic models. As well, given the emphasis of creating a flexible, mobile working environment, each staff member will require commensurate technical resources.
- + Software programs and data acquisition also have significant costs associated with their purchase. Besides traditional office computing programs such as Microsoft Word and Excel, economic analysis such as IHS E-views, and a macroeconomic model are required.
- + Financial and economic data compiling, analysis and presentation packages will also be purchased with the cost being offset through increased productivity of staff.
- + For the first year of operations, the office will not be fully staffed, product/output will be limited, and office space will not be occupied for a full year. However, office space will be required to accommodate the 20 staff members expected when the office is fully established. At the same time, there will be one-time costs associated with a start-up such as purchasing of computers and office equipment. Although it is anticipated that the FAO may draw a number of qualified candidates from the OPS, one-time funding is also earmarked in the proposed budget to offset moving expenses of qualified candidates from other jurisdictions.
- + Overall, the estimated cost for the first year of operations is \$2.2 million (\$1.5 million for staffing and \$0.7 million for supply and services).

Year 2: 2016-17

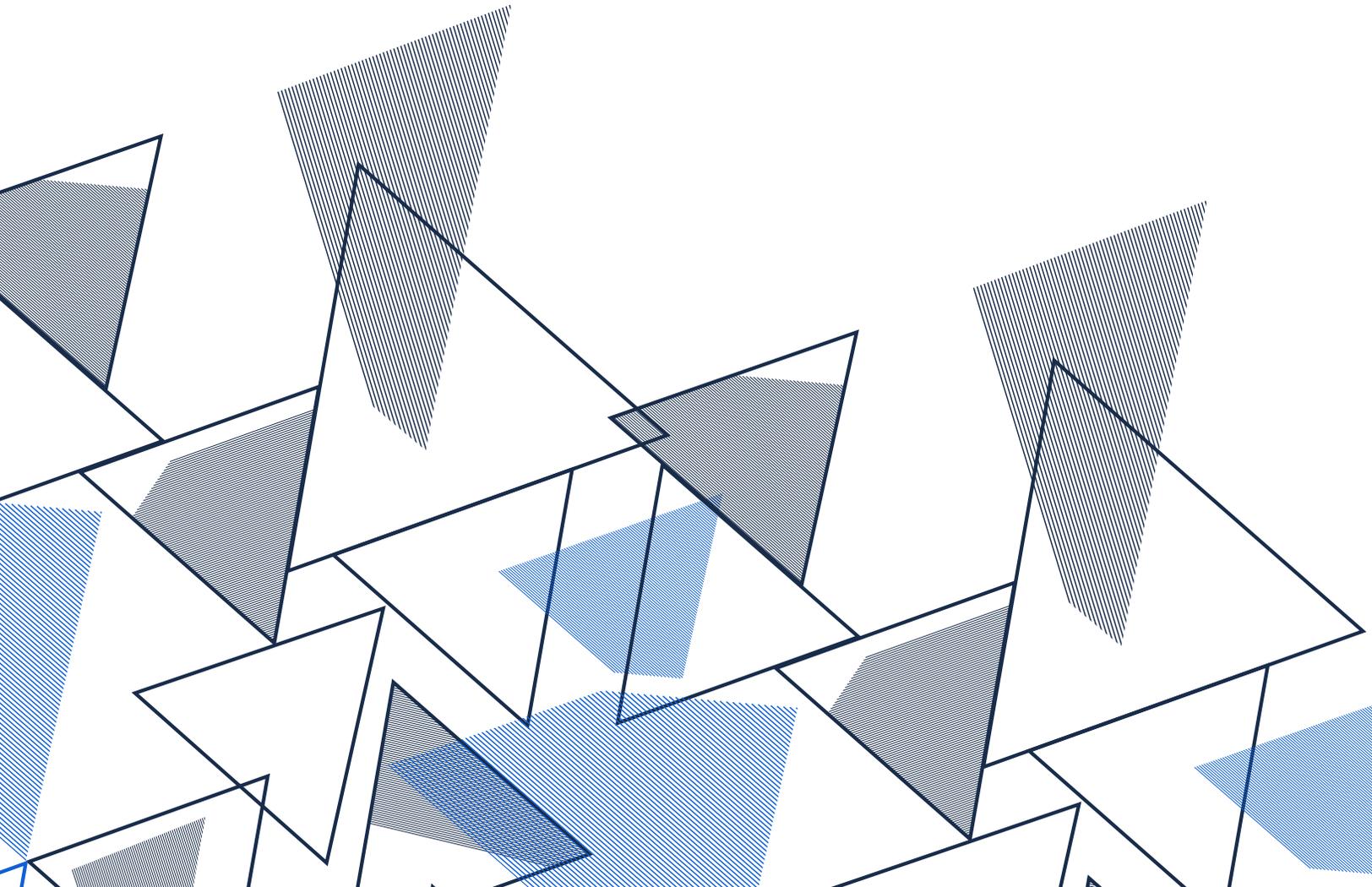
- + In the second year of operations, a fully staffed budget will require a total budget of \$3.1 million (\$2.3 million for staffing and \$0.8 million for supplies and services).
- + Given that members of the legislative assembly have already proposed legislative amendments to expand the mandate and workload of the FAO, additional funding may be required in the future to meet these expectations. In addition, overall operating expenses will be expected to rise at a rate comparable to other OPS Ministries.





9/ Performance Evaluation Framework

- + The FAO will perform ongoing performance evaluation of each report, including peer-review by external experts where warranted. An annual evaluation of the FAO's performance will be included in its annual report to the legislative speaker, and be part of the justification for its budget in the subsequent year.
- + The FAO will undertake a more comprehensive quinquennial evaluation, to be led by internationally recognized experts in public budgeting and financial management. This may include peers in other IFIs.



References

Australian Parliamentary Budget Office. *Memorandum of Understanding Between the Parliamentary Budget Officer and the Heads of Commonwealth Bodies in Relation to the Provision of Information and Documents*. Australian Parliamentary Budget Office. 2012.

Debrun, X., Kinda, T., Curristine, T., Eyraud, L., Harris, J. Seiwald, J. *The Functions and Impacts of Fiscal Councils*. International Monetary Fund. 2013.

Financial Accountability Officer Act, 2013, SO 2013 c 4.

Fiscal Transparency and Accountability Act, 2004, SO 2004, c 27.

International Accounting Standards Board (IASB). *International Financial Reporting Standards: Conceptual Framework*. IASB 2015.

Office for Budgetary Responsibility (OBR). *Fiscal Sustainability Report 2014*. OBR 2014.

Organization for Economic Cooperation and Development (OECD). *Country Notes for OECD Member Independent Fiscal Institutions*. OECD 2012.

Organization for Economic Cooperation and Development (OECD). *Recommendation of the Council on Principles for Independent Fiscal Institutions*. OECD 2014.

Appendix

Job Description for Senior Economist/Financial Analyst

Part I. Job Identification

Position Title: Senior Economist/Financial Analyst

Supervisor's Title: Chief Economist/Chief Financial Analyst

Part II. Position Summary

POSITION SUMMARY

+ The Senior Economist/Financial Analyst conducts and leads research on economic and fiscal issues, including assessment of factors that influence domestic and international economic and fiscal outlooks, for the Chief Economist and/or the Chief Financial Analyst, the Financial Accountability Officer, legislative committees and legislators in general.

Part III. Principal Responsibilities

+ Conduct economic, financial, and/or socio-economic analysis and evaluation concerning complex, multi-dimensional and inter-related economic, fiscal, tax, financial, or socio-economic research studies and projects.

+ At the request of the Chief Economist and/or Chief Financial Analyst, manage specific projects.

+ Manage specific files/issues:

++ Analyze the effect of policy strategies and positions on the evolving provincial, national and international economic and fiscal environment.

++ Provide recommendations and advice, situating proposals and required decisions in the appropriate economic, social, tax, financial and fiscal policy context to guide senior management of the Financial Accountability Office (FAO) and legislative committees in their assessment of government policies and programs.

++ Provide opinions on performance of programs and services in government departments from an economic/fiscal perspective.

+ Develop, analyze, write and prepare assessments of the Budget and Economic Update, policy proposals and position papers, legislation and regulations.

+ Advise and brief the senior management of the FAO, legislative committees, and legislators on, provincial, national and international economic, social and fiscal issues.

+ Recommend data/information requirements and policy research/study, approaches, analytical methods and objectives; and organizes studies.

+ Contribute to the development of databases, models, and other analytical tools for use in policy analysis and economic and fiscal forecasting.

- + Establish, maintain and utilize a network of contacts and partnerships with counterparts in various government ministries/agencies, federal, provincial and international governments, domestic and international non-governmental organizations, the private sector, and other organizations and key players, to develop a broader and integrated perspective on the relevant economic, social and fiscal issues.

Part IV. Knowledge, Skills and experience

KNOWLEDGE AND SKILL REQUIREMENTS

- + The incumbent must have demonstrated sound judgment, interpersonal skills, excellent written and verbal communications skills and the ability to interact with senior executives in a public or private sector context. The incumbent must be able to produce under tight deadlines, stress and scrutiny.
- + The incumbent must have the skills to manage projects and teams of analysts.
- + The incumbent must have the skills to deliver advice, briefings and recommendations to senior management of the FAO, legislative committees and legislators on a wide variety of complex multi-dimensional and inter-related economic, fiscal, tax, financial or socio-economic research studies and projects.
- + Initiative and creativity are required to conduct multi-dimensional and inter-related studies and research and analysis related to complex issues. Both proven and leading-edge methodologies must be used to test economic models and assumptions, so that the quality of financial and economic analysis are beyond reproach.
- + Knowledge of theories, principles, concepts and techniques of economics, socio-economics, social sciences, international trade, intergovernmental fiscal arrangements, tax system, public finance, financial analysis, and legal frameworks.
- + Knowledge of the relevant structural and institutional characteristics of the Ontario economy; relevant Ministry mandates and the Budget process; and key laws relevant to the mandate and operation of the FAO, including, *An Act to Establish the Financial Accountability Officer, Fiscal Transparency and Accountability Act*, and *Financial Administration Act*.
- + Knowledge of principles, techniques and practices of: policy and issue analysis, strategy development, briefing, economic, socio-economic and financial research.
- + Knowledge of concepts, methods and techniques of communications, negotiation, consultation and problem-solving; processes and methods for collecting, processing and disseminating financial, economic and statistical data.
- + Knowledge of the mission, objectives and mandate of the FAO.

EXPERIENCE AND EDUCATION REQUIREMENTS

- + The incumbent must have a post-graduate degree (Master's or Doctorate) from a recognized university with a specialization in economics, or an equivalent graduate-level designation and have at least 5 years of experience in: conducting research and analysis of macroeconomic or fiscal policy issues; using econometric software and data bases; developing or using econometric models; and preparing well-written research reports and non-technical briefing material for both experts and non-experts.

Part V. Working relationships

- + The Senior Economist works closely with staff of legislators and officials with the various Ministries, including Finance and the Treasury Board.

Part VI. Problem-Solving

- + The incumbent, with assistance from the Chief Economist and/or Chief Financial Analyst, will have to resolve problems and will be responsible for the development of the terms of reference for new engagements, the first draft of analytical products and the discretion to manage external stakeholders and working relationships (for example, universities, think-tanks, consulting firms, other governments).
- + The subject matter is very complex, and analysis, advice and recommendations must be provided to the clientele in a manner that is clearly non-partisan.

Part VII. Accountability

- + The incumbent will be accountable for the accuracy and quality of the analysis on the underlying factors that drive the government's economic and fiscal plans. The incumbent interprets and challenges the assumptions on which the government's plans are based, and contributes to legislators' understanding of such assumptions.
- + Develops, as part of a team, macroeconomic and mathematical models, and analytical tools for use in responding to requests from legislators and legislative committees to ensure that best practices are followed.
- + Prepares critiques on studies used by the government in the development of the economic and fiscal plans and projections and identifies, if appropriate, alternative interpretations and scenarios.
- + Supports the FAO in ensuring expert and strategic non-partisan support to legislative committees or legislators requesting research or costing of proposals.
- + The incumbent will be accountable for the quality and defensibility of his/her analysis and recommendations made to the FAO.

VIII. Dimensions and Impact

- + The FAO performance has a fundamental impact on the enactment of the government's fiscal plan and by extension, the economy. The FAO must assure rigour, precision and objectivity in the expert analysis of estimates, economic forecasts and the costing of proposals.
- + The incumbent supports the FAO in establishing an influential, constructive and credible presence with legislators and Ministries, while ensuring the provision of economic and fiscal analysis of the highest quality.
- + The Legislature makes decisions of great economic importance based on the advice and information provided by the Officer.

IX. Working conditions

PHYSICAL EFFORT

- + Minimum physical effort required - standing, walking. Extensive periods are spent sitting - working on a computer (staring at a screen) with some opportunity to move about.

PHYSICAL ENVIRONMENT

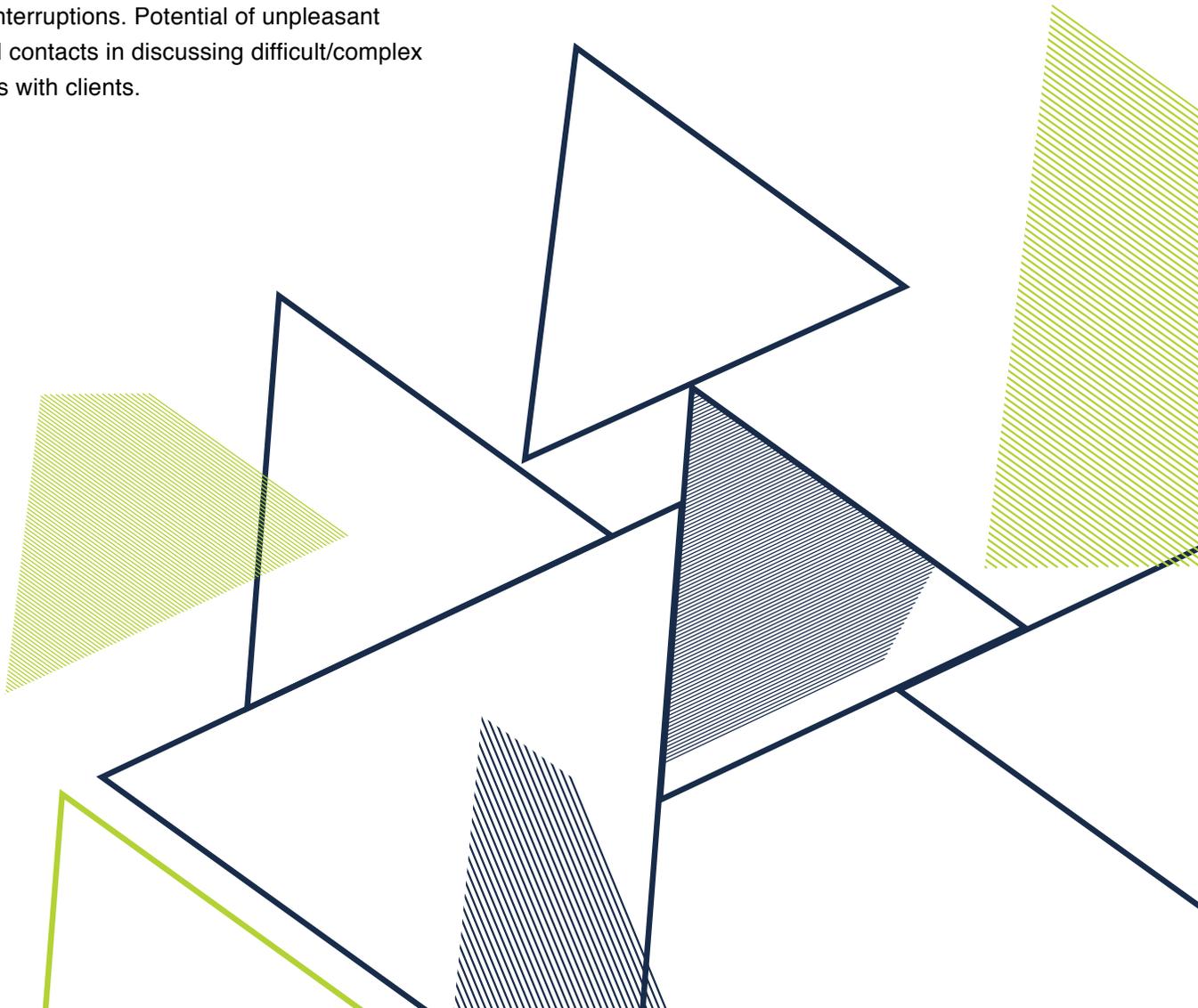
- + Open Office Space/Closed Office

SENSORY ATTENTION

- + This job involves a high degree of sensory attention in analyzing large volumes of complex data, developing models to test assumptions, and maintaining an overview of the operating environment in order to manage a complex agenda on issues of public importance, within a dynamic political environment. The analytical methodologies employed by the FAO and the results of his/her work must be flawless and provide the basis for vigorous and often decisive debate on the finances and economy of the province — and by extension the country.
- + The job demands effective listening skills and personal stamina reflecting a regular requirement for long hours (sometimes exceptionally long — for example, while legislative committees are sitting and when the Budget is being debated). Quarterly reports on the impact of economic outcomes on the projected fiscal plan of the government must be prepared for Legislature. The clientele will expect, however, almost instantaneous information on emerging economic developments or comments from other government sources on those developments, such as deviations from GDP forecasts, interest rate or foreign exchange projections, or actual revenue collections.
- + The FAO will be looked to for immediate comment on scheduled economic and budget reports of the government, especially the fall update and winter budget. The clientele will generate requests, for example on cost estimates, on short notice and expect rapid and professional service.

MENTAL STRESS

- + This job involves significant pressure with respect to providing objective analysis to legislators and drawing evidence-based conclusions that will not necessarily be compatible with the government's views or agenda. There is also considerable pressure to operate in a non-partisan fashion and to appear to be non-partisan across all aspects of the work, from the smallest detail in handling requests for analysis to the large undertakings related to the Budget.
- + Pressure is created by the very nature of the work, which demands high quality and precision often under tight time frames and the sometimes conflicting expectations of legislators regarding priorities. Incumbent will experience a lack of control on pace of work and interruptions. Potential of unpleasant social contacts in discussing difficult/complex issues with clients.





Whitney Block
Rm 1601
99 Wellesley St. West
Toronto ON
M7A 1A2

416-325-7470
fao-on.org
info@fao-on.org

