

Classification Appeal Decision
Under section 5112 of title 5, United States Code

Appellant: [appellant]

Agency classification: Accountant (Internal Review Evaluator)
GS-510-12

Organization: Internal Review Division
United States Property and Fiscal Office
[location] Army National Guard
National Guard Bureau
[city and state]

OPM decision: Auditor
GS-511-12

OPM decision number: C-0511-12-04

/s/ Kevin E. Mahoney

Kevin E. Mahoney
Acting Deputy Associate Director
Center for Merit System Accountability

May 16, 2007

Date

As provided in section 511.612 of title 5, Code of Federal Regulations (CFR), this decision constitutes a certificate that is mandatory and binding on all administrative, certifying, payroll, disbursing, and accounting officials of the Government. The agency is responsible for reviewing its classification decisions for identical, similar, or related positions to ensure consistency with this decision. There is no right of further appeal. This decision is subject to discretionary review only under conditions and time limits specified in the *Introduction to the Position Classification Standards*, appendix 4, section G (address provided in appendix 4, section H).

As this decision changes the classification of the appealed position, it is to be effective no later than the beginning of the fourth pay period after the date of this decision (5 CFR 511.702). As indicated in this decision, our findings also show that the appellant's official position description (PD) does not meet the standard of adequacy described on pages 10-11 of the *Introduction to the Position Classification Standards*. Therefore, the agency must revise the appellant's PD. The servicing Human Resources Office must submit a compliance report containing the corrected PD and an SF 50 showing the personnel action taken. The report must be submitted within 30 days from the effective date of the personnel action to the Chicago Field Services Group.

Decision sent to:

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Introduction

On August 11, 2006, the Chicago Field Services Group of the U.S. Office of Personnel Management (OPM) accepted a classification appeal from [appellant]. We received the initial agency administrative report (AAR) on September, 29, 2006, and the complete AAR on March 1, 2007. The appellant occupies a position currently classified as Accountant (Internal Review Evaluator), GS-510-12, in the Internal Review (IR) Division, United States Property and Fiscal Office, [location] Army National Guard (NG), National Guard Bureau (NGB) in [city and state]. The appellant believes the position should be classified as Auditor, GS-511-12. We have accepted and decided this appeal under section 5112 of title 5, United States Code (U.S.C.).

We conducted separate telephone interviews with the appellant and his supervisor on March 1, 2007, and with the Chief of IR, NGB on March 9, 2007. We decided this appeal by considering the telephone audit findings and all other information of record furnished by the appellant and his agency, including his official position description (PD).

Background Information

The agency reclassified the appellant's position to the GS-510 series based on a directive issued to all Department of the Army (DA) components on July 21, 2003, by the Acting Secretary of the Army. The DA-wide reclassification occurred when a proposed consolidation of the Army Audit Agency (AAA) and DA's IR functions was terminated. According to the IR Chief, the merger had been discussed for years to remedy conflicting statutory authority whereby only AAA was supposed to be tasked with "auditing." The directive stated that without exception, only positions in the AAA could use the Auditing Series, GS-511, for classification purposes. Auditor positions in all other DA divisions were required to be reclassified. Accordingly, IR moved its staff into the Accounting series, GS-510.

The NGB installations are jointly shared with the individual states and programs overlap Federal and State jurisdictions differently in the 54 State and territorial NGB components. As a result, the NGB IR function is required to conduct audits related to these relationships that are not present in other sections of the Army. The current Chief of IR states his predecessor requested an exception to the directed reclassification, DA did not grant it, and NGB complied with the directive. The NGB requested and received extensions to implement the changes and eventually implemented 14 DA-classified standard PDs, including seven just for Dual Status staff. All Auditors affected by the action had their positions reclassified before April 15, 2005, and were issued new PDs which remained at the same grade level. The appellant's position was reclassified from Auditor, GS-511-12, to Accountant (Internal Review Evaluator), GS-510-12, with PD number [#####].

General Issues

The appellant's supervisor certified the PD of record is accurate; but the appellant originally refused to sign the accuracy statement on the PD coversheet, Optional Form-8, because he stated he did not perform the duties in the Accounting series, and his actual job duties instead are those of an auditor. Additionally, the appellant refers to internal agency evaluations performed prior to

the reclassification of his position that he says confirm that the position was properly classified in the GS-511 series.

By law, we must classify positions solely by comparing current duties and responsibilities to OPM position classification standards (PCSs) and guidelines (5 U.S.C. 5106, 5107, and 5112). In adjudicating this appeal, our responsibility is to make our own independent decision on the proper classification of his position. Because our decision sets aside all previous agency decisions, the appellant's concerns regarding his agency's classification review process are not germane to this decision.

A PD is the official record of the major duties and responsibilities assigned to a position by an official with the authority to assign work. A position is the duties and responsibilities that make up the work performed by an employee. Position classification appeal regulations permit OPM to investigate or audit a position and decide an appeal on the basis of the actual duties and responsibilities currently assigned by management and performed by the employee. An OPM appeal decision classifies a real operating position and not simply the PD. Therefore, this decision is based on the work currently assigned to and performed by the appellant. We are aware of DA's efforts to limit the existence of GS-511 positions to the AAA. However, management intention in establishing a position may be considered only to the extent it does not interfere with the proper application of published PCSs.

Position information

The primary purpose of the appellant's position is to evaluate how effective and efficient different programs are in accomplishing their assigned roles. The appellant conducts internal performance reviews of his state's Army and Air NG. This includes evaluating management's compliance with governing regulations, including internal Army and Air Force regulations, and external appropriation and statutory requirements, in an effort to discover fraud, waste, and abuse in the expenditure of Government funds. The division programs, schedules, and conducts comprehensive internal reviews of activities, organizations, programs, systems, functions, and procedures of the state's NG. The division also provides consulting and advisory services, interprets policies, identifies and solves problems, conducts risk management studies, and monitors compliance follow-up and liaisons with external audit organizations. The appellant recommends corrective actions to the state Adjutant General, who enforces compliance. The appellant is responsible for determining when the appropriate actions have been taken.

Programs are either reviewed on request from a senior official or selected for review from an Auditability Selection File that annotates risk level. The state's Chief of the IR Division assigns the work and determines the scope of the review, but the appellant has full discretion in how to conduct the review. He spends 20 percent of his time in a preparation phase to review the regulatory and statutory guidance, request relevant documentation from the reviewed entity and become familiar with the topic. He develops an "audit plan" that includes overall and specific objectives, sets a timeframe and determines the appropriate tools, which takes 10 percent of his time, and spends 20 percent of his time on on-site data collection. The analysis and formulation of conclusions/determinations takes 30 percent of his time, while producing the final report represents the final 20 percent. The appellant writes reports for issuance to the programs'

managers, and provides a briefing after the review to ensure they fully understand the findings. His reports present findings, observations, background information and recommendations for improvement. As a senior evaluator, the appellant performs the most difficult and complex aspects of the evaluations, distributes and monitors the work of lower-grade evaluators when they are assigned to reviews and provides them with guidance and assistance. Recently, he has conducted reviews alone because of current staffing limitations, but previously he was assisted by junior auditors. He advises management within the context of presenting findings, rendering opinions on evaluated proposals and corrective actions.

Our fact-finding shows the appellant's latest performance plan contains the most pertinent information regarding the duties he is assigned and performs. His current and recent performance plans, since the reclassification, contain five critical elements, none of which specifically refers to the performance of operational accounting duties. Instead, he is rated on the results of his review/audit analysis work which flows from the missions and functions of the organizational entity to which he is assigned. None of the 17 related indicators refers or relates to the performance of accounting work. The appellant's current PD is similar to his previous Auditor PD; however it includes accounting duties which both he and his supervisor confirm he does not perform. For example, major duty number two states he "... provides recommendations in the solution of accounting and operational problems and implementation of new or changed regulations, procedures and analysis of automated systems." and performs "... complex professional accounting." He does not. The record shows the appellant reviews already derived accounting results as one portion of his program analysis. Similarly, the appellant does not perform duty three as a stand alone task, which involves analyzing the capability of accounting systems and recommending future equipment/software needs.

The appellant spends 95 percent of his time working on "performance reviews," which were previously called "performance audits" by the NGB which routinely require the application of professional accounting knowledge, standards, and principles. The remaining five percent are more specific financial audits of programs which include detecting fraud. Performance audits are an objective and systematic examination of a Government organization, program, activity or function. The goal is to determine the extent to which an entity achieves the desired results or benefits it was created to do and that it complies with law and regulations. This includes the relevance, effectiveness and alternatives of the program, as well as analyzing possible inhibiting factors and the adequacy of management controls. The appellant's first critical element relates to each part of the standard, and states: "Plans and conducts internal reviews to ensure it results in appraising the effectiveness of the policies, systems, procedures, and internal controls relating to the specific operations of the Army and Air National Guard."

The appellant uses the Government Accountability Office's (GAO's) Government Auditing Standards (also known as "The Yellow Book") to ensure his work reports comply with generally accepted Government auditing standards (GAGAS). The Yellow Book contains standards for audits of Government organizations, programs, activities, and functions, and of Government assistance received by contractors, nonprofit organizations, and other non-Governmental organizations. GAGAS are followed by auditors and audit organizations as required by law, regulation, agreement, contract, or policy. They are also applied by evaluators, analysts, and specialists in other occupations who perform audits. They pertain to auditor professional

qualifications, the quality of audit efforts, and the characteristics of professional and meaningful audit reports. The appellant's office also created an internal "Audit Guide" for the staff that relates specifically to their State operations. In addition, Critical Element number three states his "working papers must be properly indexed in accordance with Government Auditing Standards."

The record shows the appellant does not perform about half the work described in his current standardized PD. As discussed previously, this includes several major duties which the appellant neither performs nor is held accountable for in his official performance standards. Therefore, we find the PD does not meet the standards of PD adequacy addressed on pages 10 and 11 of the *Introduction to the PCSs*. Since the appellant's PD does not adequately address the actual duties and responsibilities of his position, it must be revised accordingly.

Series, title, and standard determination

The agency evaluated the appellant's position by comparison to the grade-level criteria contained in the Job Family Position Classification Standard (JFS) for Professional and Administrative Work in the Accounting and Budget Group, GS-500, and placed the appellant's position in the Accounting series, GS-510. The appellant disagrees, stating he does not perform accounting work as defined in the GS-510 series definitions, and claims his work closely matches "performance audit" work defined and performed in the Auditing series, GS-511. Both the GS-510 and GS-511 series perform work requiring application of professional accounting work theories, principles, concepts, and standards.

The Accounting series, GS-510, covers positions which advise on or administer, supervise, or perform professional accounting work that requires application of accounting theories, principles, and standards. The work can include a combination of designing, developing, operating or inspecting accounting systems; prescribing accounting standards, policies, and requirements; examining, analyzing, and interpreting accounting data, records, and reports; or advising or assisting management on accounting and financial management matters. Certain aspects of the appellant's work seem similar to the latter two tasks; i.e., he reviews accounting records and advises management on accounting issues to ensure compliance as a part of his comprehensive work product. However, these duties are not performed as part of the accounting operations of the organization under review nor does the appellant function as a management advisor within the organization reviewed.

GS-510 series positions apply specific accounting theories, concepts, and principles that address such duties as: determining the boundaries of an accounting entity; recognizing and measuring revenues; matching revenues and expenses by applying accounting methodologies; defining and measuring costs by applying accounting methodologies; and full disclosure on financial statements. Of these, the appellant does not perform any on a regular basis and only parts occasionally. For example, he will conduct a cost analysis to determine the reasonableness of a contractor bid.

The title of "Accountant" for GS-510 positions is used when the work performed includes a combination for the following activities or for combinations of different accounting work when none is paramount: preparing, analyzing, interpreting, and presenting accounting data; operating

maintaining, and modifying accounting systems; using accounting information to recommend solutions to management problems and structuring of organization programs; managing, operating, and analyzing cost activities in connection with manufacturing or other business activities; or designing, implementing, and assessing internal control processes and systems. The appellant performs part of the first and fourth activities in relation to assigned reviews/audits, but he does not perform any of the four broad types of work of Federal accountants covered by the 500 JGS. These include the generic title, "Accountant," which is used for positions that include combinations of different work when none is paramount, or the more specific established titles of "Cost Accountant" for positions which design appropriate costing methodologies to recognize, determine, accumulate, and report costs of activities on a regular basis for management information purposes; "Staff Accountant" for a variety of positions which study and advise on accounting and financial management matters; and "System Accountant" for positions which design, adapt, or install financial accounting and related systems.

The agency evaluation statement for the PD, dated June 10, 2004, acknowledges while "there are some elements characteristic of GS-510 positions that are not found in this job (e.g. designing, developing, operating accounting systems or prescribing accounting standards, policies and requirements), there are sufficient duties that do fall within the coverage of the 510 series to warrant classification of this position as a GS-510 Accountant." The record shows some aspects of the appellant's work are similar to certain activities of GS-510 work; however, these are relatively limited in scope, are performed in support of the actual nature and purpose of his work, and are not the paramount requirement of the position.

The Auditing series, GS-511, covers positions which apply professional accounting and auditing knowledge, standards, and principles to the 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; analyzing work related to the developing and executing audit policies and programs; conducting performance audits; or conducting activities related to the detection of fraud, waste and abuse.

Audits are divided broadly as either financial or performance types. To conduct either, an individual must apply professional accounting and auditing knowledge, standards, and principles. For GS-511 work, accounting knowledge is applied as a tool to evaluating financial programs as opposed to being used to create accounting products. To conduct a performance review, the individual must have the knowledge, skills, and ability to review all aspects of a program. This includes researching the specific industry and operations of the program, analyzing cost to determine if the program costs are reasonable and accurate, interviewing all levels of staff from the program personnel to senior managers and writing comprehensive, yet easily understandable evaluation reports that both describe any problems and provide possible solutions. The auditor must be versed in the details of the program and be able to identify abnormalities and bottlenecks. Financial audits render an opinion on whether the existing financial statements are accurate and were performed using generally accepted accounting principles, requiring the ability to use accounting knowledge.

Both the supervisor and appellant report the appellant performs the full range of these GS-511 duties as the integral portion of his position as discussed previously in this decision. Combined,

the appellant performs all phases of a performance audit and all aspects of the performance and financial audits, when necessary. Therefore, we find the appellant's primary and paramount work is covered by the GS-511 series, and his position is properly allocated at Auditor, GS-511. It is covered by the JFS for Professional and Administrative Work in the Accounting and Budget Group, GS-500 for grade level determination.

Grade determination

The appellant did not appeal the grade level of his position or contest the factor levels assigned by the agency: Levels 1-7, 2-4, 3-4, 4-4, 5-4, 6/7-3c, 8-1, and 9-1. The JFS is written in the Factor Evaluation System (FES) format, under which grade level is established by evaluating the duties, responsibilities, and qualifications required of the position against nine factors common to non-supervisory positions covered by the General Schedule. The factor point values mark the lower end of the ranges for the factor levels. For a factor to warrant a given point value, it must be fully equivalent to the overall intent of the selected factor-level description. If the position fails in any significant aspect to meet a particular factor-level description, the point value for the next lower factor level must be assigned. The total points are converted to a grade by use of the grade conversion table in the in FES format. After careful review of the record, we concur with the levels assigned and have credited the position as follows:

Evaluation using the GS-500 JFS

Summary

<u>Factors</u>	<u>Level</u>	<u>Points</u>
Knowledge Required	1-7	1250
Supervisory Controls	2-4	450
Guidelines	3-4	450
Complexity	4-4	225
Scope and Effect	5-4	225
Personal Contacts/Purpose of Contacts	3-c	180
Physical Demands	8-1	5
Work Environment	9-1	<u>5</u>
Total		2790

The total of 2790 points falls within the GS-12 range (2755-3150) on the grade conversion table.

Decision

The appellant's position is properly classified as Auditor, GS-511-12.