

WASHINGTON STATE DEPARTMENT OF PERSONNEL

Specification for Class of

FINANCIAL EXAMINER 1 (13300)

Abolished Effective July 1, 2007

CLASS SERIES CONCEPT

The Financial Examiner is a professional series that performs analysis of financial data, documents or statements to assess the soundness and viability of the financial institutions or financial service companies or issuers, or compliance with federal or state laws. Positions in this series may specialize in one or more of the following areas:

Applications/Registrations: Incumbents analyze financial statements and materials from financial institutions, financial services companies or issuers, or associated persons for charters, registrations, licenses, or exemptions from registration or amendments to existing charters, registrations, licenses or exemptions and compliance with regulatory standards including safety and soundness.

Examinations: Generally incumbents perform site visits to financial institutions or financial services companies or issuers to evaluate adequacy of operational or management methods and conduct a risk analysis to determine compliance with regulatory standards including safety and soundness.

Enforcement: Incumbents analyze, investigate, and prepare to take action against institutions, companies issuers, or persons violating the laws relating to financial institutions, financial service companies, issuers, and related persons for non-compliance with regulatory standards including safety and soundness.

COMPETENCIES

The Department of Financial Institutions competency framework identifies and defines the professional, business, and technical skills required for each class in the series. The professional and business competencies incorporate communication, personal management, interpersonal, leadership, organizational, management, and stakeholder skills.

- A basic level of competency requires the incumbent to know general terms, concepts, processes, and objectives of the competency and be able to apply the competency to common tasks.
- An intermediate level of competency requires the incumbent to be able to apply the competency consistently to perform common tasks.
- An accomplished level of competency requires the incumbent to be able to use the competency consistently to perform complex tasks requiring creativity and judgment.

Required competency levels are applied to the technical requirements of a class in that an incumbent must be able to perform a specific task with a basic understanding and achievement, or intermediate level of achievement, or accomplished level of achievement. The required competency levels exemplify the level of work described in the definition, distinguishing characteristics, and typical duties.

These competencies are intended to a) provide supporting information for allocation decisions, b) provide guidance for career development planning, c) provide a framework for performance expectations and d) provide common elements for selection.

Financial Examiner 1

This series is written so that each higher level incorporates the previous level.

COMPLEXITY

Incumbents perform the analysis of financial institutions or financial services companies or issuers involving numerous and difficult legal, technical, and factual issues for safety and soundness or compliance with law with some degree of complexity.

Complex work general means:

1. work having a high degree of political sensitivity; or
2. work in which a mistake could have a high cost to the agency or to the public; or
3. work involving novel issues not adequately covered by existing written procedures or manuals and therefore, requiring the development of new techniques and work methods and the exercise of a high degree of judgment, or
4. work involving problem institutions.

Factors suggesting that particular work is complex include:

1. the financial institution, financial services company, or issuer that is the subject of the work:
 - a. is involved in broad range of financial and business activities,
 - b. is involved in one or more activity which involves higher than normal degree of risk and may be a nontraditional activity;
 - c. has a complex capital or organizational structure,
 - d. has a large asset base, or
 - e. is regulated solely by the department;
2. the work includes
 - a. analysis prepared in anticipation of hearing or trial and the financial examiner preparing the analysis may be required to testify as an expert witness presenting and defending his or her analysis;
 - b. making an assessment of the relative culpability of two or more targets for violation of law in a business enterprise consisting of businesses of several types over various periods of time,
 - c. requires separate analysis of the finances of particular components of the enterprise for particular periods of time in order to support theories of the case concerning the scheme or schemes employed, the knowledge of the various participants over time of those schemes, and the scope, object, and means of any conspiracies relating to the violations of law, or
 - d. analysis and assessment involving multiple subsidiaries or affiliates operating in different business segments such as insurance, securities brokerage or real estate.

FINANCIAL EXAMINER 1

Definition: Under direct supervision performs analysis of the operations of financial institutions or financial services companies or issuers (as defined below) for safety and soundness or compliance with law.

Distinguishing Characteristics: This is the first working level of the class series; assignments are structured and performed with direction and assistance from others. Incumbents perform the analysis and demonstrate a basic level of technical and general competency in one or more of the functional areas of applications/registrations, examinations, or enforcement. Incumbents may perform a portion of an analysis involving numerous and difficult legal, technical, and factual issues.

Typical Work

GENERAL AND TECHNICAL COMPETENCIES:

BASIC: Must have knowledge of general terms, concepts, processes, and objectives of the competency and some application of competency to common tasks.

INTERMEDIATE: Must apply the competency consistently to perform common tasks.

ACCOMPLISHED: Must use the competency consistently to perform complex tasks requiring creativity and judgment.

GENERAL COMPETENCIES:

Basic levels of competency are required for the following:

Communications: Concise and effective interactions between other individuals as well as internal and external organizations to include presentation, facilitation, listening, oral and written skills.

Self or life management: Stress and time management, ethics, assertiveness and, personal presentation.

Interpersonal Skills: Individual and group dealings which includes conflict management, partnering and networking, teamwork, diplomacy, diversity, and negotiating and influencing.

Leadership: Teambuilding and decisiveness.

Organizational: Planning, evaluation, and understanding the parameters in which the organization operates such as vision, organizational awareness, external awareness, and customer focus.

Management: Analytical thinking and problem solving. Demonstrates an attention to detail. Recognizes and defines problem areas.

Stakeholder communication and development: Determines needs analysis and service delivery. Communicates information about products, services or programs.

TECHNICAL COMPETENCIES:

Basic levels of competency are required for the following technical areas:

Legal, Safety and Soundness, or Compliance Analysis

Interprets and applies applicable laws, rules, and standards; Conducts an analysis to determine compliance with applicable state and federal laws and regulatory policy and industry standards applicable to financial institutions, financial service providers or issuers; or analyzes for compliance with mortgage industry regulations; Registers debenture companies in compliance with state and federal statutes; Conducts off-site reviews, disciplinary reviews and background checks.

Technical Communication

Prepares concise, comprehensive, and accurate reports of examinations reviews of application, or investigations outlining deficiencies, concerns and recommend solutions; Prepares accurate reports setting forth the results of financial record reconstruction and analysis; Conducts effective interviews and documents findings in a comprehensive and accurate memorandum; Works effectively with other regulators in enforcement, examination, coordinated review of applications and joint projects with prosecutors and law enforcement on enforcement matters; Conducts outreach or technical assistance sessions with registrants or potential registrants and provides technical assistance to regulated entities; May participate in Coordinated Examination and Review Programs.

Data Collection and Analysis

Collects adequate, representative, relevant, and reliable data through examination or investigation, or in connection with the review of applications; Performs statistical sampling; Examines for weaknesses in financial institution policies and practices, management practices, internal controls, or strategic plans; Evaluates overall asset quality and associated controls; Analyzes sound lending criteria and assess adequacy of loan documentation; Conducts a forensic accounting review or analysis of financial transactions and analyzes for fraudulent transactions; Uses specialized software for examinations, analysis of financial transactions and accounts, and investigations; Conducts Information Systems and Technology (IS & T) exams, including electronic media; Analyzes computer systems and for evidence of crime using computer forensics.

Financial Analysis

Conducts financial analysis which includes review and analysis of financial statements, ratios, quantity and trend of earnings, capital, investment portfolio and investment strategies, asset/liability management and other information to assess risk; Analyzes balance sheet, profit and loss accounts, and other financial records to determine accuracy, adequacy, and propriety of accounts and reports; Compiles working papers and exhibits and prepares reports summarizing findings.

Other duties as assigned.

Knowledge

Knowledge of financial organization, practices and internal controls of financial institutions or financial services companies; state and federal statutes and rules applicable to financial institutions or financial services companies or issuers; understand the roles of state and federal regulators and of self-regulatory organizations in enforcing those laws; court decisions, and regulatory opinions applicable to federal and state financial institutions or financial services companies or issuers; the relationship of Washington statutes and regulations to uniform legislation or model rules and guidelines and to federal statutes and regulations and the statutes and regulations of other states; Federal Financial Crimes and Consumer Protection Laws; financial institution's information systems software and hardware and examination techniques and internal controls; economic principles and theoretical principles and practices of auditing and accounting (GAAP).

Minimum Qualifications

A Bachelor's degree in finance, business administration, economics, or related field including at least 12 semester or 20 quarter hours of accounting or finance and 18 months of professional experience examining financial institutions or financial services companies or issuers on behalf of a state or federal regulatory body, or financial Self-regulatory institution or program_or professional experience working for a financial institution or financial services company in the areas of lending, operations, analysis of loan or securities portfolios, auditing, OR professional experience in public accounting and financial analysis, or any combination of these.

OR

Twelve months as a Financial Examiner Assistant.

A Master's degree in qualifying field or graduation from a specialized banking school gained through an accredited college or university (i.e., Pacific Coast Banking School or equivalent) or certification as a "Certified Financial Examiner" from the Society of Financial Examiners or Washington State qualification as a Certified Public Accountant may substitute for one year of the required experience.

Qualifying experience will substitute, year for year, for education, providing the required 12 semester or 20 quarter hours of accounting, or finance course work has been completed.

Definition of Terms

"Financial institution or financial services company or issuer" includes commercial banks, alien banks, trust companies and departments, savings banks, saving and loan associations, credit unions, credit union service organizations, consumer loan companies, mortgage brokers, escrow agents, check cashers, and check sellers, securities broker-dealers, investment advisers; issuers of securities, franchises, business opportunities, commodity investments; or other persons or entities regulated by Department of Financial Institutions and their holding companies, subsidiaries, and other affiliates.

Federal regulatory bodies include the Federal Deposit Insurance Corporation, Federal Reserve Board, Comptroller of the Currency, Office of Thrift Supervision, National Credit Union Administration, and Securities and Exchange Commission. Self-Regulatory Institutions include the National Association of Securities Dealers and the New York Stock Exchange.

Revised: 5-1-63

Revised minimum qualifications: 6-9-75

Revised definition, minimum qualifications, and title change formerly Bank Examiner 2): 9-14-84

Revised minimum qualifications: (emergency basis 11-9-84; permanent basis 12-14-84)

Revised definition and minimum qualifications: 3-12-93

Revised definition, minimum qualifications, general revision, and title change (formerly Bank Analyst) and merge Savings & Loan Analyst: 5-15-98

Revised title (formerly Financial Examiner), definition, distinguishing characteristics, and minimum qualifications: 11-9-01