

CHAPTER 6. HUMAN CAPITAL

GOAL: *Build and maintain a highly qualified financial management workforce in the Department to support program managers' financial management needs.*

The Department of the Interior is facing a number of critical human resource issues related to the human capital needs. The decade of the 1990s brought significant legislation and organizational rightsizing to the federal community. Both rightsizing and the legislative requirements of the Chief Financial Officers Act, the Government Performance and Results Act, and the Government Management Reform Act increased the demands on financial management personnel. It is imperative that personnel responsible for the administration of the Department's financial resources continuously develop and upgrade skills to meet the challenges imposed by internal and external forces.

As part of the Lessons Learned Process in the spring of 2002, the Department identified a number of critical issues and has developed action plans to address these issues. Below is a list of those critical issues.

- **Staffing Needs:** Bureau and Department finance offices need additional staffing resources to complete future financial audits in a timely manner with minimal impacts to staff and other ongoing processes. These staffing needs include:
 - Recruit and retain qualified entry-level staff.
 - Develop incentives to recruit and retain mid/senior level staff (some bureau finance offices have the highest turnover rates within their bureaus)
 - Develop succession plans to ensure that leadership and other critical skills are available when retirements or separations occur (some bureaus expect Finance Officers or other key staff to retire within next year).
- **Training:** Personnel involved in Interior's financial management matters need additional training to effectively and efficiently perform their financial management responsibilities and to be more accountable for the financial resources devoted to programs. These training needs include:
 - *Financial Staff:* Additional training is needed for bureau/office and departmental financial management staff on the financial statement preparation and audit process.
 - *Program Managers:* Additional training is needed for bureau program managers on the financial statement preparation and audit process.
 - *Auditors:* Auditors need training to better understand the Department's programs and processes. An improved process is needed for sharing information with KPMG audit staff. FY 2001 was the first year of the KPMG departmental audit, and as expected, there was a steep learning curve.

To assist the Department financial management personnel in achieving the skills needed to operate in a changing environment, the Department is committed to developing and maintaining a cadre of highly skilled financial management personnel. To that end and to ensure a strong and effective financial management program, the Interior CFO Council provides guidance to the Office of Financial Management in developing an overall training and development plan for the Department.

To facilitate the development and implementation of a training and development plan, the Department has designated a Training Coordinator within the Office of Financial Management (PFM) to work with the Department of the Interior University (DOIU) to implement the plan. The DOIU delivers services through:

- Learning Centers located in Washington, D.C.; Anchorage, Alaska; Denver, Colorado; and Albuquerque, New Mexico.
- On-line Learning Center which provides new delivery methods (e.g., distance learning, Internet training) to enable the Department to reach more employees - any time, any place and at any pace.
- Leadership Institute manages the Department's formal career development programs, the Team Leadership Program (TLP), the Senior Executive Service Career Development Program (SESCDP), and the Acquisition Intern Programs (AIP). The Institute manages the AIP on a governmentwide and departmentwide basis.

The Training Coordinator directs the Department's Financial Management Training and Development Program (FMTDP), schedules financial management training, locates and reserves training sites, identifies instructors and on-the-job training experiences, tracks and records participants' training, reviews and maintains participant's Individual Development Plans (IDPs), prepares and distributes training certificates, and monitors and responds to program evaluation and feedback. The Training Coordinator also serves as the Department's liaison to the governmentwide CFO Council for Human Resources, the Joint Financial Management Improvement Program (JFMIP), the Association of Government Accountants, Training Officers Conference, the American Association for Training and Development, and professional organizations related to financial management.

The focus of the FMTDP Training Coordinator is to improve the skill levels and increase the availability of personnel throughout the Department to support financial management functions and to better serve the financial management needs of program managers and others responsible for carrying out the mission of the Department. Improvement will be made in two areas:

- Increasing the availability and diversity of qualified accounting, financial systems, and other financial personnel to ensure adequate human resources are available to carry out financial management responsibilities; and
- Sponsoring comprehensive training programs in financial management that deliver effective training to financial managers and their staff throughout the Department to improve the skills and knowledge and to enable financial management personnel to perform their jobs in an excellent manner.

Increase the Availability and Diversity of Qualified Accounting, Financial Systems, and Other Financial Personnel

Critical to the Financial Management Human Capital Program is the enhancement of the Department's ability to support the need for additional qualified accounting, financial systems, and other financial personnel to fill critical vacancies anticipated over the next few years. Currently, the Department has or expects to have over 50 vacant positions as a result of projected retirements and other attrition factors in financial management personnel over the next several years. The plan will be to build and increase the quality, availability, and diversity of entry-level personnel and to improve the recruitment of mid- and senior-level staff. This support includes the establishment of a Financial Management Career Intern Program to recruit and train entry-level individuals for professional careers in accounting and financial management in the Department and bureaus. This is a new program for the Department and will take advantage of the knowledge of the DOIU in developing and managing such programs and those programs being established on a governmentwide basis such as those sponsored by the CFO Human Resources Committee.

As a result of the Lessons Learned Process in the spring of 2002, the Department developed a plan to address the Department's Human Capital needs. *Exhibit 6-1* shows the elements of the plan and the current status of the plan's implementation:

Exhibit 6-1

Needs	Action Items	Target Timeframe	Status
Staffing Needs: Bureau and Department finance offices need additional staffing resources to complete future financial audits in a timely manner with minimal impacts to staff and other ongoing processes.	Work with the Financial Officers Partnership, update information on staffing needs within the bureau and Department finance offices.	May 2002	Completed June 2002
	Identify current plans for filling existing vacancies and for addressing any additional staffing needs.	June 2002 Revised Date August 2002	Project begun- Finance Officers providing information to be analyzed.
	Identify those areas where department-wide hiring would assist bureaus in filling positions using a process similar to the Financial Management Intern Program.	June 2002 Revised Date September 2002	Will be based on information provided by Finance Officers
	Develop standardized position descriptions and standard vacancy announcements.	July 2002 Revised Date September 2002	Project underway with Department HR and Bureaus

Exhibit 6-1 Continued

Needs	Action Items	Target Timeframe	Status
Recruit and retain qualified entry-level staff.	Establish a Financial Management Career Intern Program (FMCIP) and recruit the first class.	July 2002	FMCIP established and first class of 15 professionals started July 2002
	Identify long-term recruitment and retention incentives and authorities of particular interest to entry-level employees.	September 2002	Analysis underway
Incentives to recruit and retain mid/senior-level staff (<i>some bureau finance offices have the highest turnover rates within their bureau offices</i>)	Work with HR to identify incentives and authorities for recruiting and retaining mid- and senior-level staff.	July 2002 Revised Date September 2002	Analysis underway
	Work with bureaus/offices to educate managers on available recruiting and retention incentives and identify barriers to their use (i.e., lack of understanding and/or experience with their use, funding, etc.). Identify any additional incentives that are needed beyond those currently available.	July 2002 Revised Date September 2002	Initial planning stage
	Work with HR and Financial Officers Partnership to develop a strategy for overcoming barriers to the use of recruiting and retention incentives and rotational assignments.	July 2002 Revised Date September 2002	Research on effective strategies begun
	Review and reissue departmental guidance on bureau CFO and DCFO responsibilities	June 2002 Revised Date August 2002	In process – draft completed and being reviewed for comments
	Work with FOP to develop description of Finance Officer responsibilities.	July 2002 Revised Date September 2002	Project begun

Exhibit 6-1 Continued

Needs	Action Items	Target Timeframe	Status
	Work with CFO Human Capital Subcommittee on governmentwide recruiting and retention initiatives.	September 2002 Revised Date - Ongoing	Ongoing
Succession planning is needed to ensure that leadership and other critical skills are available when retirements or separations occur. <i>Some bureaus expect Finance Officers or other key staff to retire within next year.</i>	With Financial Officers' Partnership, work with HR on current workforce planning efforts.	July 2002 Revised Date September 2002	FOP developed plans for mid- and senior-level career development. Additional resources are needed to implement the plans.
	Identify leadership and other critical skills needed for successful financial statement preparation. Assess skill levels in current workforce and develop strategies for filling any gaps that exist.	July 2002 Revised Date September 2002	Skills assessment tool being evaluated
	Work with FOP, HR and National Business Center/DOI University to develop leadership training opportunities for mid- and senior-level financial staff.	July 2002 Revised Date September 2002	Research begun

FY 2002 Accomplishments

- Continued to partner with the CFO Human Resources Committee in governmentwide recruitment and retention efforts.
- Continued efforts to effectively coordinate a departmental financial management recruitment effort to fill current vacancies in the Washington, D.C., and Denver, Colorado areas.
- Developed and used recruitment materials for the FMCIP at various multi-school career fairs on the east coast and in Colorado.

- Researched and used multiple methods for effectively and efficiently advertising the new intern program.
- Recruited for and implemented the Financial Management Career Intern Program (FMCIP). Coordinated this recruitment effort across all bureaus and finance offices within the Department. The FMCIP is designed as a two-year program of professional development for accountants and financial analysts through academic and on-the-job training. Emphasis is placed on practical work experience and rotational assignments with supplemental academic training, and cross-training for a broad perspective of Interior's financial management process.
- Developed and implemented entry-level IDP requirements based on the JFMIP core competencies.
- Welcomed 15 FMCIP interns in July 2002 for Orientation Week in Washington, D.C.
- Developed and held orientation, IDP review and revision, and formal mentor training.

FY 2003 Planned Activities

- Update brochures to market the FMCIP.
- Recruit for the second class of Financial Management Career Interns
- Continue formal training and on-the-job training and career development for the first class of financial management interns.
- Hold orientation, develop IDPs, assign mentors, and begin training and rotational assignments for the second class.
- Design and implement a financial management mentoring program at all levels.
- Improve the management of the vacancy announcement and selection process through a more coordinated recruiting program within the Department.
- Develop standardized position descriptions and standard vacancy announcements.
- Identify long-term recruitment and retention incentives and authorities of particular interest to entry- and mid-level employees.
- Review and reissue departmental guidance on bureau CFO and DCFO responsibilities as well as develop a description of Finance Officer responsibilities.
- Explore with the Department's financial management community ways to increase the knowledge and skills of the current workforce or retrain the current workforce where trends show specific jobs will disappear or be transformed.

- Continue to improve/expand an ongoing relationship with local colleges and universities in the Washington, D.C., and Denver, Colorado areas to provide a continuous vehicle for qualified financial management personnel to join the Department and/or the federal workforce.
- Continue to work with local universities, nonprofit student placement agencies, the Department's Human Resource Division, and budget offices to recruit junior persons to student internship positions in financial management.
- Continue to partner with the CFO Human Resources Committee to develop new strategies for recruiting top quality personnel for the Department's financial management community.

FY 2004 and Beyond Planned Activities

- Continue efforts to develop and implement Interior-specific training modules in financial management education using subject matter expertise.
- Implement mid- and senior-level recruitment/retention programs with phased-in approach to provide sources for filling mid- and senior-level positions as they open up due to retirements or departures.
- Graduate the first class of Financial Management Interns.
- Implement additional phases of the mid- and senior-level recruitment program.

Sponsoring Comprehensive Training Programs in Financial Management

The primary objective of the Financial Management Training and Development Program is to provide appropriate training and professional development opportunities to financial management personnel so that they are adequately prepared to competently carry out their growing responsibilities. The Department's training program provides information on external training courses, provides cost effective training to Interior bureau personnel through the use of internal instructors or external instructors, and develops special training programs to address individual bureau needs.

The Department will expand the training and development program over the next five years by developing a comprehensive training program built on the JFMIP core competencies, aggressively publicizing financial management and related training opportunities and encouraging employees to avail themselves of personal and professional development opportunities. The Department, through the program, will prepare new financial management employees for current and future challenges in financial management and enhance the financial management skills of senior financial managers. To assist in that effort, the Department will offer an array of training in accounting, governmental accounting, budgeting, financial analysis, project management, team building, and problem solving techniques. The program continually analyzes training results and makes appropriate curriculum revisions and reports periodically on the results of the financial management training and development program to bureau CFOs, DCFOs, and Finance Officers.

Exhibit 6-2

Issue	Action Item	Target Timeframe	Status
<p>Training - Financial Staff: Additional training is needed for bureau/office and departmental financial management staff on the financial statement preparation and audit process.</p>	Develop a long-range training plan for entry, mid, and senior level financial management staff based on the core competencies published by the Joint Financial Management Improvement Program (JFMIP).		Completed Plan; additional resources needed to implement; will take three years to complete each level.
	In conjunction with the long-range training plan, develop and implement Individual Development Plans. <ul style="list-style-type: none"> • Intern Program • Bureau Finance Offices 	July 2002 March 2003	In process
	With FOP, continue to sponsor/conduct annual financial forums to address immediate training needs. Provide just-in-time training in key areas.	Ongoing	
	Hold Finance Seminar with two concurrent tracks, one will provide hands-on PC problem solving for issues from the FY 2001 financial statement and audit process, and the other will provide Interior-specific training in Standard General Ledger, Eliminations, Audit Management, and other areas.	April 2002	90 finance professionals completed this training.
	Hold Budget/Finance Seminar to address issues that are common to both the budget and finance communities.	June 2002	160 finance and budget professionals participated in this training.

Exhibit 6-2 Continued

Issue	Action Item	Target Timeframe	Status
<p>Training - Program Mangers: Additional training is needed for bureau program managers on the financial statement preparation and audit process.</p>	<p>Work with FOP and bureaus/offices to identify training needs for bureau managers and develop a strategy to address training needs.</p> <ul style="list-style-type: none"> • Determine which training should be bureau-specific and which training should be have a department-wide perspective. • Determine media and location for training (i.e., web-based, classroom, regional/location based for multiple bureaus, etc.) • Develop training strategy with a training schedule. 	September 2002	Begun
	Implement training strategy.	October 2002	
	Evaluate effectiveness of training and revise training plans as appropriate.	March 2003	

FY 2002 Accomplishments

- *Budget/Finance Seminar:* The Finance Officers' Partnership, in conjunction with the newly established Budget Execution Working Group, sponsored the Department's second joint Budget/Finance Seminar. Approximately 160 Department personnel participated in the June 2002 seminar that was designed to provide a training forum for budget and finance to share the key components and common problems of budget reporting and financial reporting, and to increase the understanding of their critical interrelationships. The Office of Management and Budget, the Congressional Budget Office, and Treasury's Financial Management Service also participated in this effort. Evaluations from participants were very positive.
- *Finance Seminar:* The PFM held a Finance Seminar with two concurrent tracks, one for hands-on PC problem-solving for issues from the FY 2001 financial statement and audit process and the other for Interior-specific training in Standard General Ledger, Eliminations, Audit Management, and other areas. Approximately 90 individuals from the various bureaus/offices participated in the April 2002 seminar.

- *Web Site for Course Offerings:* The Office of Financial Management Web site (<http://www.doi.gov/pfm/training.html>) was used to disseminate course offerings throughout the Department and to other agencies.
- Implemented a long-range training plan with IDP format for entry-level financial management staff based on the JFMIP core competencies to be used with the first Financial Management Career Intern class of 2002 and for all entry-level employees.
- Worked with the Financial Officer's Partnership (FOP) on Human Resources workforce planning efforts (see Lessons Learned chart for specific details). Additional resources are required to implement these plans.
- Sponsored training in the following subject areas:
 - Appropriations Law
 - Standard General Ledger
 - Dollars and Sense
 - IDP and Career Development
 - Formal Mentoring
- Promoted the use of more seminars and workshops sessions lead by the Department's financial management personnel to facilitate working group training, new idea development, and sharing of best practices.

FY 2003 Planned Activities

- Implement the FOP long-term training program for mid- and senior-level financial management personnel.
- Implement a formal process for using the IDPs to ensure that mid- and senior-level financial management personnel receive cross-training.
- Use the certification component of the Financial Management Training and Development Program to ensure that Interior bureau finance and budget officers cross-train and cross-utilize financial management managers and staff. IDPs will be developed for the Bureau Finance Offices.
- Work with FOP to sponsor formal training for finance officers to include change management, leadership skills, etc.
- Conduct a skills assessment of the financial management community.
- Continue annual budget/finance training effort—specific format to be determined on a yearly basis.
- Initiate and support an effort for a large scale conference on Interior financial management, budget, acquisition, and performance measurement topics

- Expand the use of the Office of Financial Management Web site (<http://www.doi.gov/pfm/training.html>) for disseminating course offerings and career development links throughout the Department and to other agencies.
- Sponsor courses to include:
 - Standard General Ledger
 - Dollars and Sense
 - Appropriations Law
 - Budget Execution
 - Certified Government Financial Manager series
 - Hyperion
 - Leadership
- Continue to evaluate and refine a training program for bureau program managers.
- Begin development/consolidation of Interior Financial Management training materials to include modules on such topics as accounting, reporting, budget formulation, budget execution, etc.
- Research and implement linking the Department's financial management community to other sites providing information on training and career development in federal financial management through the Department's Office of Financial Management Web site.

FY 2004 and Beyond Planned Activities

- Continue to encourage the use of nontraditional approaches to provide additional training and career development opportunities for the Department's financial management community. Opportunities should be available for entry-level, mid-level, and senior-level personnel.
- Continue to work with Office of Personnel Management and the Department's Office of Personnel Policy to establish the CFO Council's core competencies for financial management as the criteria for job selection, promotion, and training.
- Expand the mid-level and senior-level training program.
- Encourage participation in any governmentwide CFO training programs.
- Support participation in the Department's Team Leadership Program (TLP) and Senior Executive Leadership Program (SESCDP).
- Expand the use of the Web site as a source of links to financial management career development tools.
- Continue working with the FOP to sponsor/conduct annual financial forums to address immediate training needs, including “just-in-time” training in key areas.
- Continue working with the FOP to update information on staffing needs within the bureau and Department finance offices.