

The Proposed DoD Financial Management Certification Program

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Under Secretary of Defense (Comptroller)/Chief Financial Officer

Last spring I announced our intent to implement a course-based Certification Program for the Department of Defense Financial Management (FM) workforce. We have made progress in developing a framework for the Program, and we are now taking the many steps necessary to make the Program a reality. As I would expect, the topic of FM Certification has been a high-interest item and has generated much discussion. My purpose in this article is to provide you—the FM workforce—an update of what is happening and what you can expect to happen in the future. I will also talk about how the Program will affect you.

Why a Certification Program?

I believe that most of today's financial managers are well trained. And you are doing a great job meeting the financial management needs of the Department and its warfighters. But there are some problems with FM training that we need to resolve.

First, the DoD financial community lacks a framework that would help newer professionals know what type of training is best at a particular point in their careers. A course-based certification program will provide that framework.

Second, we lack the ability to ensure that new types of training are provided where needed. The FM world is changing quickly, and our training programs must adapt to shifting times. Audit training is a good example of a new type of training that is currently needed. Today DoD is the only major federal agency that does not have a positive opinion on its financial statements. Commenting last October on DoD's lack of auditability, Secretary of Defense Leon Panetta stated simply: "That is inexcusable, and it must change." But to improve financial information and achieve audit readiness, we must train all of our personnel on audit issues. Some need basic knowledge, some need more advanced training. Our course-based certification program will provide us a means to ensure that everyone gets needed audit training.

Analytical skills are another example of a new type of training we need to provide. Today we are installing new Enterprise Resource Planning (ERP) systems throughout the Department. These new systems should help us produce reports more quickly and with less effort. DoD financial managers need to go beyond providing reports and move toward helping interpret those reports. That requires more training in decision support skills. As with audit training, some need basic knowledge, others need more advanced training. A course-based certification program will provide a vehicle for ensuring that we provide the right training for decision support.

I stated earlier that our FM community is doing a good job. We excel in many areas. We prepare the most complex Budget in the federal government. Our payroll and vendor pay operations dwarf any

other federal agency, and we continue to meet wartime challenges. We support operations and installations world-wide. Our 58,000-strong FM workforce can be justifiably proud of our accomplishments.

But, we need to make our good workforce even better. The FM Certification Program is one way to make this improvement.

Key Elements of the Program

As we developed the concepts for the Certification Program, we did not start with a blank page. We used the Defense Acquisition Workforce Improvement Act (DAWIA) and the Acquisition workforce as a model. But, we also had some practical limitations, including cost. We cannot afford to create new schools or major new training programs, and I do not believe we need to do so. Instead we need to better use the training we have and, in a few cases, create additional opportunities in new areas.

With this guidance in mind, we have established many of the key elements of the Program. Let's review the principal features of the framework.

Applicability

The Certification Program will include the entire FM workforce. It is mandatory. Similar to the acquisition DAWIA Program, all FM positions will be coded as Level 1, Level 2 or Level 3 -- with Level 1 as the basic or foundational level and Level 3 as the most advanced Level. More specifically, all 05XX civilian Occupation Series positions and all military positions with a Finance or Comptroller military occupational specialty will be coded with a FM Certification Level 1, 2, or 3.

FM personnel currently occupying these coded positions will have at least 24 months to achieve certification. In exceptional cases and based on specified criteria, senior leaders can waive these requirements.

Competency-based

Unlike many other Certification Programs, our Program is to be competency-based, using the 23 FM enterprise-wide competencies and associated proficiency levels. (If you want to learn more about these competencies, you can go to <https://fmonline.ousdc.osd.mil>.) We have identified certain FM competencies/proficiency levels as requirements for each of the three levels of FM Certification.

Required Courses

The Certification Program will require completion of specific courses for each certification level. Current FM training courses are being aligned to each level, based on the FM competencies discussed above. Successful completion of the designated course hours of an aligned course (or courses) satisfies the requirement for each level. Competencies and proficiency level requirements increase at each higher Level of Certification. The required competencies include an "alternate track" starting at Level 2, which forces a broadening of competencies beyond the primary career track of an FMer.

For Certification Level 1, we are developing a "DoD FM 101" course with multiple modules (introduction to DoD, finance, accounting, budget, audit readiness, analysis/decision support, PPBE, auditing, fiscal

law, cost analysis, contracting and ethics). This course will be modular and all modules will be web-based and available online to all DoD FM personnel.

Leadership competencies are also required at each Level, with Leadership courses aligned in a manner similar to those of the FM courses. The Defense Civilian Personnel Assistance Service, formerly the Civilian Personnel Management Service, has responsibility for DoD Civilian Leadership training and our Community will follow its lead for required civilian leadership training.

The subject matter of these courses supports one of the key goals of the Program: to increase audit readiness and analytic capability. But the Certification Program also provides a framework that can be adapted to meet future needs.

FM Experience

The proposed FM Certification Program will stipulate a minimum number of years of experience in DoD financial management assignments. Level 1 Certification requires two years of DoD FM experience. Level 2 requires four years of FM experience of which two years must be DoD FM experience. Level 3 requires eight years of FM experience of which six years must be DoD FM experience. Defense Components will have the authority to waive this requirement in exceptional situations and based on established criteria.

Developmental Assignments

We intend to use the Certification Program to broaden the expertise of the current FM workforce. Too often, an FMer gets channeled within one stove-piped environment for most or all of a career. A well-recognized solution to broadening the perspective of a functionally-trained worker is a developmental assignment in an area outside that person's trained functional area.

We realize that developmental assignments come with a cost, both in terms of actual expense and in opportunity cost. Nonetheless, our proposed Certification Program recommends at least one three-month developmental assignment for Certification Level 2, and requires one developmental assignment of at least three months for Certification Level 3. Our definition of "outside a trained functional area" is still being formulated, but it will be broad.

Education

The Certification Program imposes no requirements for education at any of the three Levels. At Level 2, the Program recommends work towards a Bachelor's degree. At Level 3, the Program strongly recommends work towards a Master's degree. We specify no fields or areas of study.

Test-based Certifications

The Program is course and competency-based, rather than test-based. However, we continue to encourage the achievement of the FM-related test-based certifications such as CPA, CMA, CDFM, CGFM, etc. The proposed DoD FM Certification Program reinforces that encouragement by recommending completion of one of the 20 DoD-approved Test-based Certification Programs at Level 2 and "strongly" recommending completion of one at Level 3. But, no Level has a mandatory requirement for achievement of one of these test-based certifications.

Continuing Professional Education (CPE)

As with most certification programs, the proposed DoD FM Certification Program will require continuing professional education or training on a periodic basis, after certification is achieved. Our proposed Program requires 40 CPE every two years for Level 1; 60 CPE every two years for Level 2; and 80 CPE every two years for Level 3.

Next Steps

Our OSD Comptroller office is currently working on a Draft DoD Directive (DODD) and DoD Instruction (DODI) to add the necessary substance and detail to transform our concepts into a Program. As we coordinate the DODD and DODI, we also are working to move from concept to an actual program. Specifically, we intend to create pilot versions of the Program in several Components this summer and fall. The timeline is aggressive, but we want to gain experience quickly. With successful pilots in FY 12, we hope to begin large-scale implementation in FY 13.

We have support for the proposed Certification Program within the Department of Defense and in Congress. The FY12 NDAA provides us the legal authority to implement the Program and we have strong support from Congress. We also have support from the Human Resources community and the Under Secretary of Defense for Personnel and Readiness.

How the Program Affects You

We see positive effects for you as a member of the FM workforce. Because the Program is essentially mandatory, it will increase the opportunities for professional development for many of you. Because the Program is based on FM enterprise-wide competencies, the integration of Individual Development Plans, Career Roadmaps, and Position Descriptions becomes not only possible, but useful to you as you plan your career. With Certification establishing a standard body of knowledge in the Department, the certification level which you achieve makes you more of a known quantity, thereby increasing your flexibility for lateral growth within DoD. Your knowledge and competencies will be broadened. And finally, your certification level identifies your achievement of a professional credential.

In sum, we see the proposed DoD Financial Management Certification Program will provide you a benefit while increasing the credibility of the Defense Department in general and the DoD Financial Management Community in particular.

As always, we welcome your ideas. And stay tuned. It is an exciting time to be in the FM Community.