



U.S. GOVERNMENT ACCOUNTABILITY OFFICE

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November 14, 2018

The Honorable James M. Inhofe
Chairman
The Honorable Jack Reed
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Mac Thornberry
Chairman
The Honorable Adam Smith
Ranking Member
Committee on Armed Services
House of Representatives

Financial Management: DOD's Report on Precommand Financial Management Training

In fiscal year 2018, Congress appropriated the Department of Defense (DOD) roughly \$660 billion in funding, an increase of \$55.2 billion from fiscal year 2017 defense appropriations. The mission of the department's financial management workforce, which consists of approximately 54,000 civilian and military personnel, is to ensure that the department's budget and financial expenditures support the national security objectives of the United States. Long-standing, uncorrected deficiencies within DOD's financial management systems, including those related to financial manager qualifications, continue to negatively affect DOD's ability to manage the department and make sound decisions on missions and operations. For example, DOD's decentralized management environment may have an effect on the ability of financial management personnel to gain the requisite expertise to develop and implement needed corrective action plans (CAPs).¹ Moreover, while DOD has made progress in financial management training, the department lacks the level of expertise needed to lead financial management reform across the department.²

Having sound financial management practices and reliable, useful, and timely financial and performance information is important to help ensure accountability over DOD's extensive resources and efficiently and economically manage the department's assets and budgets.

¹ CAPs are mechanisms developed by management to present the procedures that an agency will follow to resolve deficiencies. CAPs should include measurable indicators of compliance and resolution to assess and validate progress throughout the resolution cycle. United States Chief Financial Officers Council, *Implementation Guide for OMB Circular A-123, Management's Responsibility for Internal Control Appendix A, Internal Control over Financial Reporting* (July 2005).

² GAO, *High-Risk Series: Progress on Many High-Risk Areas, While Substantial Efforts Needed on Others*, GAO-17-317 (Washington, D.C.: Feb. 15, 2017).

Additionally, the House Armed Services Committee has recognized that financial management and auditability are important responsibilities of military leaders at all levels.

DOD's financial management has been on our High-Risk List since 1995.³ In recent years, DOD has made progress in improving its financial management process and operations. For example, DOD continues its efforts to address its financial management challenges through the implementation of training programs. One such program, intended to build a skilled financial management workforce, involved the establishment of a financial management certification program to guide the training and development of the department's financial management community.

House Report 115-200 accompanying a bill for the National Defense Authorization Act for Fiscal Year 2018 included a provision that DOD provide a report to the congressional defense committees on the current education programs used to train those officers assuming a command billet or a billet directly responsible for financial management.⁴ DOD issued its report in April 2018.⁵ House Report 115-200 also included a provision that we review DOD's report and provide an overview of general financial management training requirements for command billets or billets requiring the management of DOD funds, among other things.⁶ In this report, we use the terms "officers assuming a command billet" to include military officers who have been assigned to a command billet and "a billet directly responsible for financial management" to include both those officers in financial management occupational specialties as well as officers who have financial management responsibilities but are not assigned to financial management-coded billets. This report describes the information that DOD included in its report on education programs used to train officers assuming a command billet or a billet directly responsible for financial management.⁷ Additionally, enclosure I includes information about DOD's financial management workforce and Financial Management Certification Program, which is required for DOD military and civilian personnel who are in financial management occupational specialties.

We reviewed DOD's April 2018 report on current training programs for officers assuming a command billet or billet directly responsible for financial management.⁸ We evaluated DOD's report to determine whether DOD addressed elements that you directed, including what training DOD identified for officers assuming command billets or billets directly responsible for financial management. We reviewed the data call and other instructions provided by the Office of the Under Secretary of Defense (Comptroller) to the military departments to collect information and

³ GAO-17-317.

⁴ H.R. Rep. No. 115-200, at 130 (2017). We define a "billet" as a personnel position or assignment that may be filled by one person. See Navy Tactical Reference Publication 1-02, *Navy Supplement to the DOD Dictionary of Military and Associated Terms* (Jan. 2017).

⁵ DOD, *U.S. Department of Defense Report on the Current Programs of Education Used to Train Officers Assuming a Command Billet or a Billet Directly Responsible for Financial Management* (April 2018).

⁶ H.R. Rep. No. 115-200, at 130-131(2017).

⁷ We have not included civilian personnel who may be assigned financial or budgetary duties or civilian personnel who are a part of the financial management workforce in our review.

⁸ DOD, *U.S. Department of Defense Report on the Current Programs of Education Used to Train Officers Assuming a Command Billet or a Billet Directly Responsible for Financial Management* (April 2018).

develop its report.⁹ We also reviewed information from documents provided by the Army, the Navy, the Marine Corps, and the Air Force to compare course offerings identified in the report with course offerings available to personnel throughout their military career. We interviewed officials from the Office of the Under Secretary of Defense (Comptroller), the Army Training and Doctrine Command, the Army Financial Management School, the Navy Bureau of Naval Personnel, the Air Force Office of Financial Operations, and the Marine Corps Office of Programs and Resources to understand course selection provided for the report and to understand the nature of precommand courses for officers selected for command.

We conducted this performance audit from January 2018 to November 2018 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

The Under Secretary of Defense (Comptroller)/Chief Financial Officer is responsible for developing and implementing DOD-wide financial management systems and overseeing financial management activities, including the oversight of personnel and training programs. The Under Secretary of Defense (Comptroller) is also responsible for DOD's Financial Management Regulation, which is the single DOD-wide financial management regulation to be used by all DOD components for accounting, budgeting, finance, and financial management education and training.¹⁰ Volume 14 of DOD's financial management regulation directs the heads of DOD components to develop formal education programs for all military officers to highlight the potential pitfalls and risks associated with the Antideficiency Act and authorizes the assignment of the responsibility for identifying key financial management positions within an organization to commanders, supervisors, and managers.¹¹

The Secretaries of the military departments are responsible for establishing policies for financial management training within their respective military service, and for ensuring compliance with DOD's financial management regulations. Each military service has a financial management and comptroller division and a division related to the training of personnel. The military services have issued guidance that directs the management of their respective financial management communities.¹² In addition to DOD's financial management regulation, each of the military

⁹ Under Secretary of Defense (Comptroller) Memorandum, *Pre-Command Audit Training Courses for Military Officers Responsible for Financial Management* (Feb. 2, 2018).

¹⁰ See DOD Instruction 7000.14, *Department of Defense Financial Management Policy and Procedures*, para 3 (Mar. 3, 2006) (incorporating change 1, effective Sept. 17, 2008) and DOD Financial Management Regulation 7000.14-R, vol. 1, ch. 1, *Chief Financial Officer of the Department of Defense* (June 2010).

¹¹ The Antideficiency Act (codified in part at 31 U.S.C. § 1341), in general terms, prohibits government officials and employees from making expenditures or incurring obligations in excess of available appropriations or in advance of appropriations, among other things. According to DOD Financial Management Regulation 7000.14-R, the focus of these ADA fiscal law trainings must include basics of fund control, the ADA statute, types of ADA violations that can occur, the most frequent types of ADA violations within the DOD and their causes, and methods for preventing violations.

¹² Army Field Manual 1-06, *Financial Management Operations* (April 2014); Assistant Secretary of the Navy (Financial Management and Comptroller) Manual, *Financial Management Policy Manual* (Aug. 2018); Marine Corps Order 7300.21B Marine Corps Financial Management Standard Operating Procedure Manual (May 18, 2015); Air Force Instruction 65-601 Volume 2, *Financial Management: Budget Management for Operations* (July 14, 2017).

services has guidance that address a commander's responsibility, and financial management is one of those responsibilities.¹³

Military service training policies generally cover topics mentioned in DOD's financial management regulation. Army guidance describes the Financial Management Support Center's mission to assist commanders with financial management training and deployment preparedness through conducting certification exercises, disbursing operation inspections, performing training assistance visits, facilitating backfill support, and planning with national providers.¹⁴ The support center provides financial management units with technical oversight and assistance with technical training to ensure consistent, timely theater financial management support in compliance with applicable regulations and statutes.

The Air Force's *Airman Handbook* states that commanders review, validate, and balance a unit's resource management system execution plan to ensure successful financial management.¹⁵ The Air Force's guidance regarding budget management operations procedures for administering and executing the Air Force operating budget, includes the appointment of resource advisors at the discretion of responsibility center managers, who can be group or squadron commanders.¹⁶ Air Force guidance states that resource advisors must be given training within 90 days of assignment, with initial training occurring within 30 days of assignment.¹⁷ Further, this instruction outlines specific subjects that must be included in resource management system training, including the formulation of execution plans, legal and administrative limitations, accounting systems for operations, investment equipment procedures, and systems for the propriety of funds and compliance with the Antideficiency Act.¹⁸ Additionally, Air Force guidance specific to financial management outlines mandatory training needed for each of the four levels within the Air Force's financial management career path (including apprentice, journeyman, craftsman, and superintendent).¹⁹

Navy guidance directs fund control personnel, which could include commanding officers, comptrollers, and comptroller personnel delegated responsibilities regarding the administrative control of funds, to attend a refresher appropriations law course every 3 years.²⁰

Marine Corps guidance states that the legal and administrative responsibilities of funds are inherent at all levels of the command. Further, the guidance states that the Marine Corps

¹³ Army Regulation 600-20, *Army Command Policy* (Nov. 6, 2014); Secretary of the Navy Instruction 7000.27B, *Comptroller Organizations* (Oct. 12, 2012); Air Force Instruction 1-2 *Commander's Responsibilities* (May 8, 2014); Air Force Handbook 1, *The Airman Handbook* (October 1 2017); Marine Corps Order 7300.21B, *Marine Corps Financial Management Standard Operating Procedure Manual* (May 18, 2015).

¹⁴ Army Field Manual 1-06, *Financial Management Operations* (Apr. 15, 2014).

¹⁵ Air Force Handbook 1, *The Airman Handbook* (Oct. 1, 2017).

¹⁶ Air Force Instruction 65-601 Volume 2, *Budget Management for Operations* (July 14, 2017).

¹⁷ Air Force Instruction 65-601 Volume 2, *Budget Management for Operations* (July 14, 2017), chapter 11, para 11.2.2.

¹⁸ Air Force Instruction 65-601, Volume 2, *Budget Management for Operations* (July 14, 2017), chapter 11, para 11.2.4.

¹⁹ Air Force Career Field Education and Training Plan 6F0X1, AFSC 6F0X1 *Financial Management and Comptroller Career Field Education and Training Plan*, Parts I and II (May 25, 2015).

²⁰ Secretary of the Navy Instruction 7000.27B, *Comptroller Organizations* (Oct. 12, 2012).

philosophy is based on the principle that financial management is inseparable from command, regardless of a command's specific mission. As such, the guidance asserts that funding and its availability are essential for commanders to perform their assigned missions.²¹ Fund managers are identified as personnel who receive funding authorization from commanders, but receive training from Marine Corps comptroller staff.

DOD's Report on Financial Management Training Did Not Include Information on All Training Available to Officers Assuming Command or Directly Responsible for Financial Management

DOD's April 2018 report to Congress did not include information on all precommand financial management training available to officers assuming a command billet and billets directly responsible for financial management. For example, DOD's report did not include some service-specific training for officers assuming command that include financial management topics. The report also omitted courses available to the Marine Corps. DOD's report included information on 147 financial management training courses, as shown in table 1.

Table 1: Number of Department of Defense Financial Management Training Courses by Officer Billet Type

Military service	Command billets	Billets with financial management responsibility	Command billets and billets with financial management responsibility	Total
All	1	91	1	93
Army only	–	7	2	9
Navy only	5	34	1	40
Air Force only	1	3	1	5
Total	7	135	5	147

Legend: – no data available.

Source: U.S. Department of Defense Report on the Current Programs of Education Used to Train Officers Assuming a Command Billet or a Billet Directly Responsible for Financial Management (April 2018). | GAO-19-86R

Note: Data for the Marine Corps were not included in the department's report.

Of the 147 courses identified in the report, 86 courses available to both officers assuming command billets and billets with financial management responsibility are offered as a part of the Financial Management Certification Program or through a DOD-service provider, such as the Defense Finance and Accounting Service (DFAS) or the Defense Acquisition University. According to DOD's report, DFAS also offers 5 courses available to only Army personnel assuming a billet with financial management responsibility and 1 course available to only such Navy and Marine Corps personnel. The Financial Management Certification Program is a DOD-wide training program established in 2013 that was created to guide DOD's financial management workforce training and emphasize key competencies identified by senior leaders in the financial management workforce. See enclosure I for more information on the Financial Management Certification Program.

DOD's report differentiates between available training for officers whom the report categorizes as assuming a command billet and for officers assuming a billet directly responsible for financial

²¹ Marine Corps Order 7300.21B, *Marine Corps Financial Management Standard Operating Procedure Manual*, paras 2000-2001 (May 18, 2015).

management.²² The report lists more training courses available for officers assuming a billet directly responsible for financial management than for officers assuming a command billet because, according to the report, officers assuming a billet directly responsible for financial management are responsible for the day-to-day financial and budgetary operations of the military services. DOD identified 93 courses in its report that are available to officers from any military service who are assuming command billets or billets directly responsible for financial management. Of these 93 courses, a majority (91 courses) are identified for officers assuming a billet directly responsible for financial management, while only 1 course has been identified as being available to officers from any military service who are assuming a command billet. Similarly, only 1 course was identified in the report as available for officers from any military service assuming either a command billet or billet directly responsible for financial management.

DOD's report does not make clear the extent to which mandatory courses must be taken by military personnel within financial management occupational specialties, despite offering a definition for "mandatory courses." In its report, DOD defined "mandatory courses" as those the military services deem essential to an officer's duties. Of the 93 courses available to the two types of officers identified in the report, DOD identified 3 courses as mandatory and 90 as voluntary, as shown in table 2 below. The mandatory courses are offered through the Defense Acquisition University and the course titles are Program Management Office Course, Part B; Executive Program Manager's Course; and Fundamentals of Business Financial Management. DOD did not include additional information in the report or its data call to the military services for which personnel these courses are mandatory. That is, there are 13 occupational specialties for military personnel within DOD's financial management workforce and the report did not specify for which financial management occupation these courses are mandatory.

Table 2: Mandatory and Voluntary Financial Management Training Courses Available to Military Officers by Military Service

Military service	Mandatory	Voluntary	Total
All ^a	3	90	93
Army only	4	5	9
Navy only	15	25	40
Air Force only	3	2	5
Total	25	122	147

Source: Department of Defense's April 2018 report. | GAO-19-86R

^aAs discussed later in this report, the Marine Corps was not included in the department's report.

Officers assuming a command billet, but who are not in financial management-coded positions, often have financial management responsibilities as part of their command. As such, officers assuming a command billet are required to attend a pre-command course. Service-level officials interviewed have stated that aspects of financial management are touched upon in pre-command courses.

²² DOD did not, however, further define these categories in its report, and also refers to personnel taking these courses as "military leaders" and "military service personnel."

During the course of our review, we also identified financial management training courses available to officers assuming a command billet that DOD did not include in its report. Specifically,

- DOD's report mentions one pre-command course that is available to Army personnel assuming a command billet. Army officials stated that officers assuming command receive financial management training during the Captain's Career Course, Battalion Pre-Command and Brigade Pre-Command Courses, as well as the Company Commander/First Sergeant Pre-Command Course.
- Navy officials stated that officers assuming a command position attend precommand training courses, such as the Prospective Commanding Officers Course, Prospective Executive Officers Course, and Major Command Course. Officials stated that these courses focus on aspects of leadership such as ethics, accountability, and responsibility. Officials commented that specific topics on financial management are not offered; however, financial management may be discussed during lessons as a part of strong leadership.
- Air Force officials stated that commanders at the Wing, Vice-Wing, and Group levels receive basic, foundational financial management training upon assuming command. The Wing Commander's Course, which takes place at Maxwell Air Force Base, includes an overview of the upcoming fiscal year's budget request with respect to the needs of the Air Force, as well as information about assistance that the organization's financial management staff can provide to the commander. For example, a wing commander will be assisted by a comptroller and various advisory groups in order to execute the fiscal year's budget closeout, formulate the next year's budget, and prevent Antideficiency Act violations.
- Lastly, Marine Corps officials stated that the Marine Corps' Commandant's Combined Commandership Course (Cornerstone) pre-command course covers the basics of fiscal and appropriations law as well as tenets of leadership, such as accountability and responsibility, which are part of financial management.

Our assessment of DOD's report also found that it did not include any information on financial management courses available only to personnel in the Marine Corps. An official with the Headquarters Marine Corps Programs and Resources, Financial Management Division, provided us with a list of courses, as shown in table 3, that would have been included in DOD's report had they received the comptroller's guidance.

Table 3: Financial Management Training Courses Available to Marine Corps Personnel

Course name	Method
Commandant's Combined Commandership Course (Cornerstone)	Conference
Fiscal Law	Classroom
Budget Execution	Online
Appropriations Law	Classroom

Source: Official from Headquarters Marine Corps Programs and Resources Financial Management Division. | GAO-19-86R

The Office of the Under Secretary of Defense (Comptroller) request for information on precommand financial management training was directed to the military departments and

included the Department of the Navy, which includes the Marine Corps.²³ An official with the Comptroller's office told us that the Comptroller's office believed that the Department of the Navy included in its submission for the report information on precommand financial management training offered by the Marine Corps. Officials in the Bureau of Navy Personnel responsible for compiling the Navy's portion of DOD's report told us that they received guidance from the Office of the Assistant Secretary of the Navy (Financial Management and Comptroller) to develop the Navy's input for the report, but they were not responsible for providing information on behalf of the Marine Corps. The official data call from the Office of the Under Secretary of Defense (Comptroller) includes the Marine Corps as one of the four military services. An official within the Headquarters of the Marine Corps Programs and Resources Financial Management Division said that his office was not contacted to provide input for the DOD report.

We are not making any recommendations to DOD on its report because the report was a one-time effort on behalf of the department to address the congressional requirement.

²³ Under Secretary of Defense (Comptroller) Memorandum, *Pre-Command Audit Training Courses for Military Officers Responsible for Financial Management* (Feb. 2, 2018).

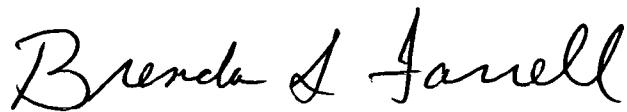
Agency Comments

We provided a draft of this report to DOD for review and comment. DOD informed us in an email that they had no comments.

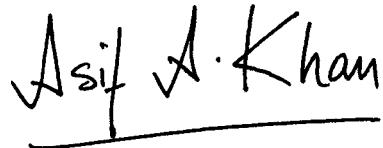
We are sending copies of this report to the appropriate congressional committees and the Secretary of Defense. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

If you and your staff have any questions about this report, please contact us at (202) 512-3604 or farrellb@gao.gov or at (202) 512-9869 or khana@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Vincent Balloon (Assistant Director), Taylor Bright, Vincent Buquicchio, Teressa Gardner, Mae Jones, Brian Pegram, Chanetta Reed, Monica Savoy, Carter Stevens, and Doris Yanger made key contributions to this report.

Sincerely yours,



Brenda S. Farrell
Director
Defense Capabilities and Management



Asif Khan
Director
Financial Management and Assurance

Enclosure

cc: cc list

Enclosure I: Department of Defense's Financial Management Workforce and Certification Program

The Department of Defense's (DOD) financial management workforce, which consists of approximately 54,000 civilian and military personnel, is responsible for managing a fiscal year 2018 department budget of roughly \$660 billion. The mission of this workforce is to ensure that DOD's budget and financial expenditures support the national security objectives of the United States. The military personnel that are part of DOD's financial management workforce are stratified across 13 military occupational series, while the civilian workforce is separated into 13 occupational series. Of the total financial management workforce, 78 percent are civilians, while 22 percent are military personnel. Job titles within the workforce vary including, for example, from payroll clerks, financial management technicians, comptrollers, cost analysts, and disbursing officers.

Section 1599d of title 10, U.S. Code²⁴ authorizes DOD to prescribe professional certification and credentialing standards for financial management positions within DOD, including for military personnel.²⁵ Specifically, the Secretary of Defense may prescribe professional certification and credential standards for financial management positions within DOD, including requirements for formal education and requirements for certifications that individuals have met predetermined qualifications set by an agency of government or by an industry or professional group. Any such professional certification or credential standard shall be prescribed as a department regulation and may, in the Secretary of Defense's discretion, apply to all personnel holding financial management positions.

DOD issued an instruction that established the Financial Management Certification Program, a three-level financial management certification program and specified procedures and requirements for obtaining each level of certification.²⁶ According to DOD officials, the certification program was rolled out to the active component in fiscal year 2014 followed by the reserve component in fiscal year 2015. According to DOD, the program places an emphasis on improving audit capabilities through a strong financial management development program. Within the three levels, personnel can achieve competencies on a scale of one to five, with proficiency levels one, three, and five correlating to certification levels one, two, and three respectively. The instruction requires members of the financial management workforce, as defined in the instruction, to participate in the certification program as part of their job. Rather than being a test-based certification, personnel enroll in various courses to satisfy requirements for each certification level, which builds emphasis on career growth and professional development. Each level of certification also requires a number of continuing education and training credits to sharpen skills and teach members of the workforce new techniques.²⁷

²⁴ In 2011, Congress amended 10 U.S.C. § 1599d to describe DOD's authority to prescribe professional certification and credential standards for financial management positions in DOD. See Pub. L. No. 112-81, § 1051(a) (2011).

²⁵ Section 1599d(f) defines financial management position as a position or group of positions (including civilian and military positions), as designated by the Secretary for purposes of this section, that perform, supervise, or manage work of a fiscal, financial management, accounting, auditing, cost, or budgetary nature, or that require the performance of financial management-related work.

²⁶ DOD Instruction 1300.26, *Operation of the DOD Financial Management Certification Program* (Jan. 31, 2017) (incorporating change 1, effective May 17, 2018).

²⁷ Level 1 Certification requires 40 CETs; Level 2 Certification requires 60 CETs; Level 3 Certification requires 80 CETs. CETs may be earned through a variety of ways, including financial management and leadership courses, symposiums, or training events.

Enrollment in the DOD Financial Management Certification Program is required for civilians and military personnel within the DOD financial management workforce; designated civilians who perform financial management tasks; and military members who are in financial management occupational specialties. Participation in the program is not required for military personnel (officers and enlisted) who perform financial management-related tasks, but are not in a financial management occupational specialty, unless their military service has designated them part of the financial management workforce. Officials stated that the program is primarily used to educate civilian employees who are in financial management-designated positions.

DOD has identified 24 financial management competencies, as shown in table 4. These competencies are used to shape professional development across five proficiency levels that reflect increasing levels of expertise and responsibilities as skills, knowledge, and experiences are gained. Leadership is also emphasized through the use of the Defense Civilian Personnel Advisory Service Civilian Leader Development Continuum.

Table 4: Department of Defense (DOD) Financial Management Enterprise-wide Competencies

Competency	Description
Accounting Analysis	Analyze, evaluate, and review accounting data and reports using business tools and applications, and performance metrics to provide recommendations
Advanced Financial Management	Develop, monitor, interpret, and report standardized processes/operations to ensure transparency and compliance with financial statutory, regulatory, and leadership guidance with the intent of promoting effectiveness and accountability
Audit Planning and Management	Develop and/or evaluate audit programs to ensure an appropriate risk-based audit approach, monitor audit progress, and review working papers and audit reports to ensure audits are properly documented and accomplished in accordance with Generally Accepted Government Auditing Standards (GAGAS) and Generally Accepted Auditing Standards (GAAS) and other applicable guidance
Audit Reporting	Analyze, reconcile, and prepare audit information to produce required audit reports, statements, and other documentation in accordance with GAGAS or GAAS
Budget Execution	Manage budget requirements by allocating, monitoring and analyzing budgets in compliance with statutory/regulatory guidance
Budget Formulation, Justification, Presentation	Manage budget requirements by forecasting, developing and justifying budgets in compliance with statutory/regulatory guidance
Concepts, Policies and Principles of Accounting	Apply federal accounting standards, fiscal law, policies, regulations, principles, standards, internal controls and procedures to financial management actions
Concepts, Policies, and Principles of Audit	Apply GAGAS, GAAS, fiscal law, internal controls, policies, standards, procedures, regulations, and/or principles to complete audit objectives
Concepts, Policies, and Principles of Budget	Apply the DOD Planning, Programming, Budgeting and Execution process, fiscal law, policies, regulations, principles, standards and procedures to financial management activities.
Concepts, Policies, and Principles of Commercial Pay	Apply commercial pay legislation, administrative and regulatory requirements, and laws and policies governing commercial pay activities and processes
Concepts, Policies, and Principles of Finance	Apply fiscal law, policies, regulations, principles, standards and procedures to financial management activities
Concepts, Policies and Principles of Payroll	Apply military and civilian pay legislation, administrative and regulatory requirements, laws and policies governing military and civilian pay activities and processes

Competency	Description
Decision Support	Conduct financial, economic, and/or accounting analysis to make decisions or provide information to decision-makers to better utilize resources and improve mission effectiveness
Decision Support–Audit Execution	Conduct audits in accordance with GAGAS or GAAS to provide value-added recommendations that enable better utilization of resources and improvement of mission effectiveness
Financial Management Analysis	Analyze, evaluate, and review budget and program issues and financial data and reports using business tools and applications, cost and economic analysis, and performance metrics to provide recommendations
Financial Management and Reporting Analysis	Apply financial analysis, forecasting and planning methods and techniques, and products sufficient to ensure financial aspects of command forecasts, reports, plans and strategies are consistent with DOD-wide goals and strategic initiatives
Financial Management Systems	Utilize integrated federal financial management systems and sub-systems to extract data, identify and resolve system problems, and maintain data integrity. In the context of the DOD Financial Management Certification Program, “Financial Management Systems” only include the following systems: <ul style="list-style-type: none"> a. Accounting b. Managerial cost accounting c. Funds management and budgetary resources management d. Funds balance with U.S. Treasury e. Travel f. Payroll (military and civilian) g. Enterprise resource planning h. Budget Formulation and Planning, Programming, Budgeting and Execution
Financial Reporting	Prepare, review and reconcile financial statements and financial reports to meet reporting requirements and to support management decisions
Financial Stewardship	Manage, allocate and monitor financial resources in compliance with laws, regulations, and policies with sufficient transparency and appropriate internal controls to ensure these resources are efficiently applied to meet organization goals and objectives, while considering the federal government’s fiduciary duty to the nation
Fundamentals and Operations of Accounting	Perform research and analysis of relevant data to ensure completeness and accuracy of accounting transactions
Fundamentals and Operations of Audit	Research and examine information related to auditing to ensure compliance with laws, regulations, or audit readiness, and to promote the operational effectiveness and efficiency of programs, processes, and policies
Fundamentals and Operations of Budget	Research and analyze information related to the federal budget process to support budget formulation and execution
Fundamentals and Operations of Finance	Research and analyze information related to finance activities to ensure the accuracy of financial transactions and to support financial policies and procedures
Fundamentals and Operations of Military and Civilian Pay	Research and analyze legislative and regulatory guidance related to entitlements to ensure proper payments

Source: DOD, Office of the Under Secretary of Defense (Comptroller) Human Capital and Resource Management Directorate. | GAO-19-86R

To date, 38,951 of DOD’s financial management personnel have been certified by the program, which is 70 percent of the population of financial management personnel, according to DOD officials. Additionally, officials stated that 6,064 of the 38,951 certified financial management personnel are military personnel. According to a DOD official within the Financial Workforce Management Division of the Office of the Under Secretary of Defense (Comptroller)/Chief

Financial Officer, that office manages the effort to sustain the percentage of financial management personnel certified by the program at or above a fiscal year 2018 goal of 67 percent. Table 5 shows a breakdown of the number of military personnel by component certified by in DOD's financial management certification program as of September 2018.

Table 5: Total Military Personnel Certified by the Department of Defense's Financial Management Certification Program by Component (as of September 2018)

Service/agency	Total
Air Force	2322
Army	2964
Office of the Under Secretary of Defense (Comptroller)	2
Defense Finance and Accounting Service	4
Navy and Marine Corps	756
Defense Health Agency	4
Defense Program Support Activity	11
Joint Staff	1
Total	6064

Source: Office of the Under Secretary of Defense (Comptroller) Human Capital and Resource Management Directorate. | GAO-19-86R

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