

Core Competencies

for Financial System Analysts
in the Federal Government

EXPOSURE DRAFT

A Joint Project of the
Financial Systems and Human Resources Committees
of the Chief Financial Officers Council
and the Joint Financial Management Improvement Program

CC-4
September 1997

069888/159463

Foreword

Core Competencies for Financial System Analysts in the Federal Government is the fourth document in a series of core competencies publications developed jointly by the Chief Financial Officers Council and the Joint Financial Management Improvement Program. These documents include the:

Framework for Core Competencies for Financial Management Personnel in the Federal Government, which established core competencies for accountants, budget analysts, and financial managers;

Core Competencies in Financial Management for Program Managers in the Federal Government;
and

Core Competencies in Financial Management for Information Technology Personnel in the Federal Government.

The Financial System Analyst, working in cooperation with Information Technology Personnel, plays a crucial role in developing and maintaining effective financial management systems, as prescribed in three major pieces of legislation--the Chief Financial Officers Act (CFOs Act) of 1990, the Information Technology Management Reform Act (ITMRA) of 1996, and the Federal Financial Management Improvement Act (FFMIA) of 1996. The CFOs Act requires agency CFOs to develop and maintain agency financial management systems that comply with applicable accounting principles, standards, and requirements; internal control standards; and requirements of OMB, the Department of the Treasury, and others. The ITMRA requires agencies to establish goals, ensure performance measurements are prescribed, benchmark agency processes, analyze missions and revise mission-related and administrative processes before investing in information technology, and ensure information security policies, procedures, and practices are adequate. The FFMIA requires each agency to implement and maintain financial management systems that comply substantially with Federal financial management systems requirements, applicable Federal accounting standards, and the U.S. Standard General Ledger. The Financial Systems Analyst is a key person on whom the CFO depends for developing and maintaining effective financial management systems.

This document contains core competencies, or the knowledge, skills, and abilities, considered necessary for the financial system analyst to meet the challenges in today's changing environment. For each of the core competencies, the degree of knowledge, skill, and ability required is reflected for entry (level 1), mid (level 2), and senior (level 3) positions in terms of low, medium, and high. The sources for developing the knowledge, skills, and abilities are discussed in the narrative preceding the matrix.

Contents

Foreword	i
Introduction	1
Core Competencies for Financial System Analysts	2
Financial Management and Accounting Principles and Practices	3
Federal Financial System Requirements	4
Financial Management Controls	5
Business Process Analysis and Redesign	6
Knowledge of System and Information Technology	7
Project Management	8
General	10
Specialized Knowledge Required for Financial Systems Professionals	11

Introduction

Background

The impetus for developing core competencies began in 1994 following a governmentwide training symposium, sponsored by the Chief Financial Officers Council and the JFMIP, to share information and identify priorities for human resource development. The priorities identified at the symposium included developing core competencies for financial management personnel, which would assist CFOs and managers in obtaining and retaining a highly qualified workforce with knowledge, and know-how.

The Framework for Core Competencies for Financial Management Personnel in the Federal Government discusses the rationale, in broader terms, for developing core competencies. In part, this Framework document states the time has come for the Government to ensure that there is uniformity and consistency, to the extent feasible, in human resource development.

The Financial Systems and Human Resources Committees under the CFO Council, working in conjunction with the JFMIP established an interagency team to develop the core competencies for financial system analysts. A companion document on core competencies in financial management for computer system specialists is concurrently being developed by an interagency team. Both teams worked closely with one another, since the coordination between the two disciplines of financial management and information technology is needed to ensure the implementation of a successful financial management system within the organization.

For these core competencies to be most effective, management from all disciplines need to fully support and promote the use of these documents on core competencies within their organizations. To the maximize benefits throughout the government from using core competencies, agencies are encouraged to share their best practices in education and training with other departments, and with JFMIP for posting to FinanceNet.

Purpose of this Document

This document is intended to be used as a reference tool and guide for financial system analysts at all levels (as reflected in the matrix identifying the core competencies) and in any organizational component performing financial management functions. As new financial management systems are being developed to meet the informational needs of agency management, central agencies requirements, Congress and other outside parties, this document will help foster better communication among the financial management and information technology communities, who must work together to develop and implement a system that will provide the financial information needed.

Core Competencies for Financial System Analysts

The core competencies for Financial System Analysts identify the knowledge, skills, and abilities considered necessary to perform effectively in today's rapidly changing environment. The core competencies are identified by the following levels:

- Level 1 Entry level: Typically consisting of introductory fundamental, basic, and routine activities; normally 1 to 3 years of experience as a financial system analyst.

- Level 2 Mid level: Consisting of applying proficiencies as a fully functional and experienced analyst; normally 2 to 4 years as a financial system analyst.

- Level 3 Senior level: Normally a team leader or supervisor, typically consisting of activities which address complex, expertise, program impact, or extended operations involving multiple organizations.

The core competencies reflect the degree of knowledge, skills, and abilities required for a financial system analyst. The degree is identified as low, medium, or high within each level. For example, the degree of knowledge, skills, and abilities required of accounting by a financial system analyst is less than what one would expect for an accountant, and the rankings in section A of the matrix show them to be low to medium for the financial system analyst. In overall terms, the matrix reflects the progression expected as an individual moves from one level to the next.

Training Resources

For the competencies described in this document, there are numerous courses available within each agency, from established educational institutions, and from the many vendors in the business of professional education. Classroom instruction is very important in order to gain the essential principles and policies of various financial management processes and techniques. However, this knowledge must be reinforced with practical applications toward achieving these competencies. Financial system analysts will also benefit from management training in leadership, quality management, team management and oral and written communications in terms of facilitating their application of financial management principles.

An excellent resource for financial system analysts to find the types of training to meet their specific needs is through the Internet. The FinanceNet address--<http://www.financenet.gov/>--provides access to the web pages that contain many of the course catalogs and training materials from both private and public sector organizations in the education and training business.

Core Competencies (Knowledge of, Ability to Use, or Skill in Using)	Levels			Learning Objectives
	1	2	3	
A. Financial Management and Accounting Principles and Practices				
1. Accounting concepts and principles	L	M	M	1. Obtain general understanding of traditional accounting practices, operations, and procedures.
	L	M	M	2. Acquire knowledge on the different methods of accounting including accrual, obligation, and cost methods.
2. Federal accounting concepts and standards	L	M	M	Acquire general understanding of: <ul style="list-style-type: none"> o Federal accounting concepts and appropriation process. o Federal Financial Reporting. o Federal Financial/Accounting Standards. o Internal agency fund control practices.
3. Agency accounting policies and procedures	L	M	M	Acquire knowledge of agency/organization: <ul style="list-style-type: none"> o accounting policies and procedures o agency financial reporting

Core Competencies (Knowledge of, Ability to Use, or Skill in Using)	Levels			Learning Objectives
	1	2	3	
B. Federal Financial System Requirements				
1. Financial systems requirements issued by central agencies	L	M	H	<p>Acquire general understanding of:</p> <ul style="list-style-type: none"> o FMIP Framework for Federal Financial Systems o JFMIP Federal Financial System Requirements (FFMSR) o OMB Circular A-127 - Federal Financial Systems
2. Applicable legislative, administrative and regulatory requirements	L	M	H	<p>Identify and interpret planning requirements resulting from major legislative and administrative changes as they apply to the incumbent's financial systems.</p> <ul style="list-style-type: none"> o Treasury Financial Manual (TFM) o OMB Circulars
3. Working knowledge of functionalities in agency financial systems	L	M	H	1. Acquire basic understanding of the functional process of financial systems being supported, e.g., payroll, accounts payable, etc.
	L	M	H	<p>2. Acquire knowledge of agency accounting and related financial management and information systems through:</p> <ul style="list-style-type: none"> o Interviews and discussions with agency financial systems professionals. o Review and analysis of agency application operations manuals and user manuals.
4. Understanding of agency financial systems architecture	L	M	H	1. Acquire general knowledge of the technical design structure supporting the agency's financial systems.
	L	M	H	2. Acquire working knowledge of the functional system integration, e.g., core and feeder systems.

Core Competencies (Knowledge of, Ability to Use, or Skill in Using)	Levels			Learning Objectives
	1	2	3	
C. Financial Management Controls				
1. Management controls concepts and principles	H	H	H	1. Acquire a general understanding of the importance of a strong system of management controls.
	M	M	H	2. Acquire an understanding of how management controls reasonably ensure that: <ul style="list-style-type: none"> o financial integrity is maintained for the recording of transactions and the recording of results. o transactions are executed in accordance with management's general or specific authorization. o resources are safeguarded against waste, loss, and misuse.
2. Establishing management controls	M	M	H	Identify and implement appropriate general controls and application controls.
3. Assessing, improving and correcting management controls	L	M	H	Monitor and evaluate systems of management controls with appropriate documentation, identify deficiencies, and assist in correcting deficiencies.

Core Competencies (Knowledge of, Ability to Use, or Skill in Using)	Levels			Learning Objectives
	1	2	3	
D. Business Process Analysis and Redesign				
1. Mission and functions of agency and/or organization	L	M	H	Acquire knowledge of the agency/organization's structure, mission, functions, and major components.
2. Agency's strategic plan	L	L	H	Obtain understanding of the Agency's Strategic Plan and the agency's strategy for change.
3. Evaluation of financial processes/systems	L	M	H	Acquire knowledge of tools and techniques and the ability to analyze processes and costs of specific practices and procedures.
4. Development of alternatives to improve/redesign processes/systems	L	M	H	Acquire knowledge of tools and techniques and the ability to reengineer/redesign business processes/systems in order to achieve more efficient operations.

Core Competencies (Knowledge of, Ability to Use, or Skill in Using)	Levels			Learning Objectives
	1	2	3	
E. Knowledge of System and Information Technology				
1. Analyze and test off-the-shelf software packages or other software	L	H	M	1. Acquire knowledge of available commercial off-the- shelf software packages.
	L	H	H	2. Relate functional requirements to commercial off- the-shelf software packages capabilities to eliminate as much customization as possible.
2. Systems design concepts	L	M	M	Acquire general knowledge of System Development Life Cycle.
3. Data management concepts	L	L	M	1. Acquire knowledge of data stewardship responsibilities.
	L	M	H	2. Acquire knowledge of data architecture methodologies.
	L	L	L	3. Acquire knowledge of database administration.
4. System architecture concepts for software, hardware, and elecommunications	L	M	M	Acquire knowledge of system hardware and telecommunications environment supporting agency financial system.
5. Computer security requirements	L	M	H	1. Acquire knowledge of functional security requirements for financial systems.
	L	L	L	2. Acquire general knowledge of technical security.
6. Continuity of operations (concept of backup and recovery)	L	L	L	Acquire general knowledge of technical operation of financial system, including production control concepts.

Core Competencies (Knowledge of, Ability to Use, or Skill in Using)	Levels			Learning Objectives
	1	2	3	
F. Project Management				
1. Project planning	L	M	H	1. Acquire knowledge of structure of appropriations and other funds that support existing and future programs and the mission of the Agency and how fund management impacts on programs achievement and financial systems.
	L	M	H	2. Acquire knowledge of budget preparation process, strategies, and options for specific areas of responsibility on financial programs and systems according to prescribed format and specifications.
	L	M	H	3. Acquire knowledge of current and desirable accounting functions, policies, procedures, and financial system performance related to the project.
2. Project monitoring	L	H	H	Perform life cycle management on the development of a new or substantially modified system as a means of accomplishing its activities and tasks.
3. Acquisition management	L	M	H	1. Administer and manage contracts for goods and services to ensure quality performance and prevent cost overruns.
	L	M	H	2. Acquire, monitor, control resources according to established specifications for the development and implementation of new or the modification of the existing financial systems.

Core Competencies (Knowledge of, Ability to Use, or Skill in Using)	Levels			Learning Objectives
	1	2	3	
F. Project Management (con't)				
4. Team building skills	L	M	H	<p>1. Demonstrate team-building techniques necessary to ensure a cohesive and productive workplace:</p> <ul style="list-style-type: none"> o Possess the ability to integrate people from many disciplines into an effective team. o Be able to use basic coaching, brainstorming, directing, and delegating techniques and skills to foster teamwork and project success. o Possess the necessary skills to be able to negotiate effectively for materials, supplies, and services that are essential to the success of the project.
	L	M	H	<p>2. Demonstrate conflict methods necessary to ensure that each project is completed on time and within budget:</p> <ul style="list-style-type: none"> o Recognize the determinants of conflict and their timing in the project life cycle to enhance active participation and minimize unproductive conflict.
	M	H	H	<p>3. Provide effective communication with all organizational levels to keep lines of communication open to minimize conflict.</p>
5. Change management skills	L	M	H	<p>Manage and control changes to existing financial systems and related organizational structures to reduce costs, increase benefits, and improve performance through change management techniques.</p>

Core Competencies (Knowledge of, Ability to Use, or Skill in Using)	Levels			Learning Objectives
	1	2	3	
G. General				
1. Mission and functions of central agencies	L	L	M	Acquire knowledge of the roles and missions of the central agencies and other service providers and how they interface with your agency.
2. Written communication	H	H	H	1. Prepare routine memoranda and reports
	L	H	H	2. Prepare and/or review documentation in support of reports and/or systems requirements.
	L	M	H	3. Prepare and review complex reports and justifications for senior management.
3. Oral communication	L	H	H	1. Give presentations including problems statements, recommendations, and project status.
	L	M	H	2. Give complex/high-visibility presentations to senior management (conferences, major meetings, seminars, etc.)

Specialized Knowledge Required for Financial Management Systems

In certain instances, such as analysis, design, and development of financial management systems, the Financial System Analysts will be required to develop specialized knowledge related to the unique requirements of the particular system. The matrix that follows identifies various financial systems common throughout the government and lists the specialized knowledge required for those persons engaged in the development of those systems. It highlights the basic financial knowledge that should be acquired in order to perform their duties effectively.

Specialized Knowledge Required for Financial Management Sub-Systems

SYSTEM TYPE	DESCRIPTION	SPECIALIZED KNOWLEDGE REQUIRED
Core Financial	Forms the backbone for the agency's integrated financial management system. It provides common processing routines, supports common data for critical financial management functions affecting the entire agency, and maintains the required financial data integrity control over financial transactions, resource balances, and other financial systems. The core financial system supports general ledger management, funds management, payment management, receipt management, and cost management.	All FASAB Accounting Concepts and Standards U.S. Government Standard General Ledger SGL Crosswalks to Financial Reports JFMIP FFMSR-1 -- Core Financial System Requirements OMB Circular A-34 -- Instructions on Budget Execution FMS Publication -- Budgetary Accounting in the Federal Government Federal Agencies' Centralized Trial-balance System Requirements
Personnel/Payroll	Supports the agency's management of human resources. It maintains data on employees and positions, supports personnel actions and decisions, captures time and attendance information, and performs leave and payroll computations (including retirement contributions).	SFFAS 1-- Accounting for Selected Assets and Liabilities SFFAS 4 -- Managerial Cost Accounting Concepts and Standards for the Federal Government SFFAS 5 -- Accounting for Liabilities of the Federal Government JFMIP FFMSR-2 -- Personnel Payroll System Requirements USC Title 5 and Title 29 CSRS, MRS, and FERS Regulations IRS, State, and Local Tax Regulations Related to Mandatory Deductions
Travel	Supports the agency's management of travel and transportation activities and expenses. It prepares and tracks the status of travel orders, advances, and vouchers as they go through the various stages of preparation, approval, and processing.	SFFAS 1-- Accounting for Selected Assets and Liabilities OMB Circular A-127 -- Financial Management Systems JFMIP FFMSR-3 -- Travel System Requirements Federal Travel Regulations -- 41 CFR 301 - 304 IRS Regulations related to Relocation Tax Allowances

Specialized Knowledge Required for Financial Management Sub-Systems

SYSTEM TYPE	DESCRIPTION	SPECIALIZED KNOWLEDGE REQUIRED
Travel	Supports the agency's management of travel and transportation activities and expenses. It prepares and tracks the status of travel orders, advances, and vouchers as they go through the various stages of preparation, approval, and processing.	SFFAS 1-- Accounting for Selected Assets and Liabilities OMB Circular A-127 -- Financial Management Systems JFMIP FFMSR-3 -- Travel System Requirements Federal Travel Regulations -- 41 CFR 301 - 304 IRS Regulations related to Relocation Tax Allowances
Seized/Forfeited Asset	Supports the management of property or other assets seized and/or forfeited to the federal government by federal law enforcement agencies. It tracks the status of a seized asset from the time of seizure, through various processing steps, which may include forfeiture, until final disposition of the asset.	SFFAS 3 -- Accounting for Inventory and Related Property SFFAS 7 -- Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting JFMIP FFMSR-4 -- Seized/Forfeited Asset System Requirements
Direct Loan	Supports the management of direct loan programs in which direct disbursements are made to an approved borrower and the agency services and collects the loan. It supports the functions of loan extension, account servicing, portfolio management, and delinquent debt collection.	SFFAS 2 -- Accounting for Direct Loans and Loan Guarantees SFFAS 3 -- Accounting for Inventory and Related Property JFMIP FFMSR-5 -- Direct Loan System Requirements OMB Circular A-129 -- Policies for Federal Credit Programs and Non-Tax Receivables Federal Credit Reform Act of 1990

Specialized Knowledge Required for Financial Management Sub-Systems

SYSTEM TYPE	DESCRIPTION	SPECIALIZED KNOWLEDGE REQUIRED
Insurance Claim	Supports payments of insurance claims under deposit insurance, pension benefit guaranties, crop insurance, and other programs in which the government provides protection against specified risks.	<p>SFFAS 5 -- Accounting for Liabilities of the Federal Government USC Title 7, Chapter 36 -- Crop Insurance USC Title 29, Chapter 18 -- Employment Retirement Income Security Program USC Title 42, Chapter 50 -- National Flood Insurance USC Title 12, Chapter 16 -- Federal Deposit Insurance Corporation</p>
Guaranteed Loan	Supports the management of guaranteed loan programs, which use private sector lenders to originate and service loans, with all or a portion of the interest and loan repayment guaranteed by the federal government in case of borrower default. It supports the functions of lender management, guaratee extension and maintenance, portfolio management, acquired loan servicing, and delinquent debt collection.	<p>SFFAS 2 -- Accounting for Direct Loans and Loan Guarantees SFFAS 3 -- Accounting for Inventory and Related Property JFMIP FFMSR-6 -- Guaranteed Loan System Requirements OMB Circular A-129 -- Policies for Federal Credit Programs and Non-Tax Receivables Federal Credit Reform Act of 1990 Debt Collection Act of 1982 (as amended)</p>
Benefit Payment	Supports payments of social insurance benefits and other transfer payments.	<p>SFFAS 1-- Accounting for Selected Assets and Liabilities SFFAS 5 -- Accounting for Liabilities of the Federal Government Black Lung Benefits Act Railroad Retirement Act of 1974 USC Title 42, Chapter 7 -- Social Security</p>

Specialized Knowledge Required for Financial Management Sub-Systems

SYSTEM TYPE	DESCRIPTION	SPECIALIZED KNOWLEDGE REQUIRED
Grant	Supports providing grants and subsidies made to state and local governments, other organizations, or individuals.	<p>SFFAS 1 -- Accounting for Selected Assets and Liabilities OMB Circular A-21 -- Cost Principles for Educational Institutions OMB Circular A-87 -- Cost Principles for State and Local Governments OMB Circular A-122 -- Cost Principles for Non-Profit Organizations OMB Circular A-102 -- Grants and Cooperative Agreements with State & Local Governments OMB Circular A-110 -- Uniform Administrative Requirements for Grants & Cooperative Agreements With Institutions of Higher Education, Hospitals, & Other Non-Profit Organizations Grants Management Common Rule (GMC)</p>
Inventory	Supports the management of inventory held for sale or used in the production of goods and services for sale. It supports the functions of needs determination, inventory in storage, inventory in production, inventory disposition, and program planning and monitoring.	<p>SFFAS 3 -- Accounting for Inventory and Related Property SFFAS 4 -- Managerial Cost Accounting Concepts and Standards for the Federal Government 41 CFR, Chapter 101, Part 101-27 -- Inventory Management JFMIP FFMSR-7 -- Inventory Systems Requirements 48 CFR, Chapter 1 -- Federal Acquisition Regulations</p>
Property Management	Supports physical and accounting control over fixed and movable assets of the federal government.	<p>SFFAS 6 -- Accounting for Property, Plant, and Equipment SFFAS 8 -- Supplementary Stewardship Reporting 48 CFR, Chapter 1 -- Federal Acquisition Regulations</p>

Specialized Knowledge Required for Financial Management Sub-Systems

SYSTEM TYPE	DESCRIPTION	SPECIALIZED KNOWLEDGE REQUIRED
Acquisition	Supports the acquisition process of obtaining goods and services. It prepares and tracks the status of requisitions, small purchase orders, and contracts; records and validates the receipt of goods and services; and provides information to the core financial system for matching invoices and issuing payments.	<p>SFFAS 1-- Accounting for Selected Assets and Liabilities SFFAS 3 -- Accounting for Inventory and Related Property SFFAS 4 -- Managerial Cost Accounting Concepts and Standards for the Federal Government SFFAS 6 -- Accounting for Property, Plant, and Equipment 48 CFR, Chapter 1 -- Federal Acquisition Regulations</p>
Revenue	Supports the billing, collection, and detailed reporting of taxes, fees, and other revenues of the federal government.	<p>SFFAS 7 -- Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting SFFAS 8 -- Supplementary Stewardship Reporting FMS Publication -- Budgetary Accounting in the Federal Government --Reimbursable Supplement</p>
Budget Formulation	Supports the agency's preparation of budget information during the budget formulation process. It supports the establishment of a baseline from which to build the budget, tracks initial submissions and modifications to the budget, provides budget data for inclusion in the President's Budget, and tracks the status of the budget request as it moves through the process until enactment of appropriations.	<p>OMB Circular A-11 -- Preparation and Submission of Budget Estimates OMB Circular A-34 -- Instructions on Budget Execution FMS Publication -- Budgetary Accounting in the Federal Government Principles of Appropriation Law</p>

Specialized Knowledge Required for Financial Management Sub-Systems

SYSTEM TYPE	DESCRIPTION	SPECIALIZED KNOWLEDGE REQUIRED
<p>Managerial Cost Accounting</p>	<p>Supports the appropriate collection, measurement, accumulation, analysis, interpretation, and communication of cost information. This information should be provided in such a way that it helps the user determine the cost of providing specific programs and activities and the composition of, and changes in, these costs.</p>	<p>SFFAS 4 -- Managerial Cost Accounting Concepts and Standards for the Federal Government SFFAS 7 -- Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting Government Performance and Results Act of 1993 Government Management Reform Act of 1994 JFMIP FFMSR-8 -- Managerial Cost Accounting System Requirements Activity Based Costing</p>
<p>Financial Reporting</p>	<p>Supports the accumulation and reporting of financial and related information in accordance with requirements of OMB's Bulletin on "Form and Content of Financial Statements." The system provides information for the annual and other periodic reporting of summary financial and related information including audit trails to systems of original entry and adjustments.</p>	<p>FASAB SRAC 2 -- Entity and Display OMB Bulletin No. 97-01 -- Formats and Instructions for the Form and Content of Agency Financial Statements U.S. Government Standard General Ledger SGL Crosswalks to Financial Reports Federal Agencies' Centralized Trial-balance System Requirements</p>

U.S. General Accounting Office
Joint Financial Management Improvement Program
Room 3111
441 G Street NW
Washington, DC 20548-0001

Bulk Rate
Postage & Fees Paid
GAO
Permit No. G-100

OFFICIAL BUSINESS

Penalty for Private Use \$300