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OPENING THE BOOKS ON FIANCE OFFICERS: HOW WELL DEVELOPED ARE FINANCE OFFICER IN THE CANADIAN ARMED FORCES?

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Exercise Solo Flight

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OPENING THE BOOKS ON FIANCE OFFICERS: HOW WELL DEVELOPED ARE FINANCE OFFICER IN THE ROYAL CANADIAN NAVY?

INTRODUCTION

The purpose of this paper is to analyze the career development path of those responsible for the financial functions within the Department of National Defence (DND). The term comptroller dates to the 1800s and has somewhat ironic origins given the position's role in ensuring the accurate planning, managing, analyzing, and reporting of financial expenditures to the organization's decision makers. "Comptroller arose from a careless misspelling of the term controller."¹ The former is now most commonly used to describe positions in the public sector and the latter to describe those in the private sector. Despite the contextual differences, they are, in broad terms, one in the same.² For the purpose of this paper the term comptroller will be used.

Within the DND, the responsibilities of comptroller fall to the Financial Management (FI) group and at more senior levels Financial Management Executives (EX) in the Canadian Public Service (GoC), Logistics Officers and General or Flag Officers in the Canadian Armed Forces.³ For this purpose of this paper a Level 1 Comptroller is a Captain Navy Finance Officer in the RCN or other Level 1 organization

¹ James Wilkinson, "Controller Vs Comptroller," <https://strategiccco.com/controller-vs-comptroller/> (last accessed 6 May, 2018).

² *Ibid.*

³ While financial officers are supported by the Clerical group (CR) Administrative Services group (AS) (both GoC), and Financial Services Administrator (FSA) (CAF) these occupations fall outside of the scope of this paper.

within the CAF or a member of the GoC having reached EX-01 (Director level) within DND.⁴ According to current work description from the Assistant Deputy Minister (Infrastructure and Environment) a Level 1 Comptroller needs to have extensive experience and competencies in wide range of financial management financial activities to fulfill their responsibilities including: planning, external reporting, internal resource management, advisory services, accounting operations, financial policy interpretation and internal controls. They must be able to direct “the custody, management and control of budget and other financial requirements; and monitors, plans and forecasts budget requirements throughout [their Branch] to fulfill the Branch's statutory and fiduciary obligations and central agency requirements.”⁵

A Logistics Officer is a multidisciplinary occupation with employment opportunities as both a generalist and specialist. The specialist roles consist of Supply Chain Management, Transportation, Human Resource Management, Food Services, and Finance Officer. It is this last specialty, Finance Officer, that will be the focus of this paper. It was the original intent of the paper to look at CAF Finance Officers in general. While they form a single group in terms of meriting for promotion, the Royal Canadian Navy (RCN), Canadian Army (CA), and Royal Canadian Airforce (RCAF) succession

⁴ It is acknowledged that some of DND’s Level 1 Comptrollers are lower in rank/level; however, to draw as straight of a comparison as possible, what are at times referred to as major Level 1s (Royal Canadian Navy, Canadian Army, Royal Canadian Airforce, and Assistant Deputy Minister (Infrastructure and Environment) etc.) are the target of this definition. It is also notable that Navy Finance Officers are employed as Comptrollers outside of the Naval Environment. Also, there are only three EX level Comptroller positions classified in DND. CFHA is a L2 comptroller at an EX-01 level; ADM (IE) is a L1 Comptroller at the EX-01 level and ADM (MAT) has a classified position at the EX-02 level. Currently the ADM (MAT) Comptroller is filled by a CAF Finance Officer.

⁵ Canada. Department of National Defence. “ADM (IE) Comptroller Work Description” Ottawa. Selected sections provided by the incumbent to the position.

plan their Logistics Officers independently.⁶ Therefore, it is not as one occupation with one career path model that Logistics Officers are planned for the most senior positions in Finance. While it is acknowledged here as a limitation of the research, this paper will examine only a subset of the Logistics Officer occupation, the RCN's Naval Logistics Officers (NLO).

Using the FI group as a comparable, this paper demonstrates that the developmental pathway of NLO Finance Officers to the position of a Level 1 Comptroller is not sufficient to meet the Policy on Financial Management.⁷ This policy forms the backbone for the FI to CFO path in government.⁸ It is this career path model that will be used as the benchmark for the comparison provided in this paper. The paper opens with an introduction to the differences in the education required for entry and advancement, training and development, and the career path model.

OPENING THE BOOKS

Although historically there was not a specific degree requirement established for entry into the RCN as a NLO (a Baccalaureate degree in any discipline was acceptable), in 2012 it was proposed that the limiting the degrees to disciplines of study such as business administration, economics, commerce, hospitality, and other occupationally

⁶ Canada, Department of National Defence, "Logistics Officer Occupation Update," <http://cmpapp.mil.ca/dgmc/en/career/briefing/00328.ppt> (last accessed 6 May, 2018).

⁷ Treasury Board of Canada Secretariat, "Policy on Financial Management," <http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=32495> (last accessed 6 May, 2018).

⁸ Treasury Board of Canada Secretariat, "FI to CFO Career Path," <https://www.canada.ca/en/treasury-board-secretariat/services/reporting-government-spending/what-we-are-doing/fi-cfo-career-path.html> (last accessed 6 May, 2018).

related disciplines would increase the credibility of the occupation.⁹ This proposal came largely from the perceived need for Logistics Officers to have a stronger foundation in the fundamentals of accounting and other areas within the management discipline. While the greatest number of NLOs come from the Regular Officer Training Program and the University Training Plan for Non-Commissioned Members, others come from the Special Commissioning and Commissioning from the Ranks. This last group is the only exception to entry to the Logistics Officer occupation without a degree. Individuals that do not have a degree may not be promoted beyond the rank of Lieutenant-Commander.

While it was explained in the introduction that the scope of this paper is capped at the Director level it is important to understand the purpose behind the Treasury Board Policy. The Guideline for Chief Financial Officer Qualifications (GCQ) (now achieved) was developed to meet the objective laid down in the Policy on Financial Management. The GCQ formed the foundation upon which the FI to CFO path was developed. The objective of the Policy on Financial Management is to ensure that “financial resources of the Government of Canada are well managed in the delivery of programs to Canadians and safeguarded through balanced controls that enable flexibility and manage risk.”¹⁰

The requirements in the GCQ helps one to understand where the need for professional

⁹ Having been employed at the Canadian Forces Logistics Training Centre as the Course Director for several courses including Pay Accounting, Financial Management, and the Logistics Officer Sea, the author of this paper provided recommendations that were accepted by the Director of Naval Logistics who forward the proposal to the Logistics Branch Integrator for eventual approval. According to https://army.ca/wiki/index.php/Logistics_Officer, “as of 18 Jan 2016 Logistics Officer applicants may hold, or be in a course of study leading to a Baccalaureate degree in the following areas: Accounting, Business Admin, Commerce, Economics, Finance, Food Business Management, Food Sciences, Hospitality Management, Human Resources Management, Industrial Relations, Nutrition/Dietetics, Public Administration, and Supply Chain Management.” It should be noted; however, that other degrees may be accepted on a case by case basis.

¹⁰ Treasury Board of Canada Secretariat, "Policy on Financial Management," <http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=32495> (last accessed 6 May, 2018).

accreditation (a professional designation) comes from in the FI group's qualification career path. The Policy states in section 4.1.10.4 that the Chief Financial Officer must hold an Executive position, possess a designation bestowed by the CPA Canada or have an acceptable combination of education, training and/or experience as determined by the Comptroller General of Canada.¹¹ For DND, the merging of the professional accounting bodies presented an opportunity to attract more applicants. Until only a few years before the merger, DND had no way to provide the work experience required of a Charter Accountant. The Financial Officer Recruitment and Development (FORD) program, discussed in greater detail in a later section, was quick to establish this for the unified CPA.

The FI group has also undergone a modernization of its educational requirements. Prior to 2004, those applying to FI-02 and above were able to challenge a knowledge test, provided by the Public Service Commission, in lieu of having the required university education.¹² Applicants must now have a degree with "*specialization*" in an approved discipline of study – accounting, finance, business administration, commerce or economics.¹³ The Treasury Board Secretariat established that the term "*specialization*"

¹¹ *Ibid.*

¹² Treasury Board of Canada Secretariat, "Frequently Asked Questions about the Qualification Standards" <https://www.canada.ca/en/treasury-board-secretariat/services/staffing/qualification-standards/frequently-asked-questions-qualification-standards.html#fi> (last accessed 6 May, 2018). Until 2000, it was possible to obtain a professional accounting designation without having met the requirements for an undergraduate degree. It is noteworthy that the qualification standards prescribed by the TBS are incongruent with those listed in the FI to CFO path. Having been a hiring manager the author of this paper supports the education requirements found here over those found in the path document.

¹³ Canada. Public Service., "Qualification Standards for the Core Public Administration by Occupational Group Or Classification," <https://www.canada.ca/en/treasury-board-secretariat/services/staffing/qualification-standards/core.html#fi> (last accessed 6 May, 2018). This represents the minimum standard for entry into the occupation. Regionally this may not even get an applicant an opportunity to compete based on the hiring managers essential criteria.

means “an acceptable number of courses in a particular field of study as determined by the manager, unless otherwise specified by the employer.” The Assistant Deputy Minister Finance (Corporate Services) (ADM Fin (CS)) as the CFO for DND has established department-wide education requirements for FI. In a 2011 briefing note, it was reaffirmed by the CFO that “*specialization*” in DND as an FI-02 would be defined as 6 credits in a subset of those allowed by the group’s classification standard - accounting and finance. The briefing note contained a quote to a 2010 bulletin from then Directorate of Civilian Employment and Policies (DCEP) now Directorate of Staffing Programs and Policies (DSPP).¹⁴ The excerpt highlighted from the bulletin points to risk and liability that is germane to some public service occupations – notably the FI group was among the occupations that was specifically mentioned. At the level of FI-03 a professional designation becomes an essential requirement for advancement as provided by the FI to CFO path. It is important to understand that that while the FI to CFO path states that at a professional designation is essential, the occupational standards of the FI group do not change at FI-03. Even though the path stipulates that without being “a member in good standing of a Canadian professional accounting association,”¹⁵ an individual may not be appointed to a position, this is more from the perspective of being competitive. FIs

¹⁴ Canada. Department of National Defence. *Confirmation of FI Minimum Education Standard*. 2011 Ottawa (internal bulletin).

¹⁵ Treasury Board of Canada Secretariat, "FI to CFO Career Path;" <https://www.canada.ca/en/treasury-board-secretariat/services/reporting-government-spending/what-we-are-doing/fi-cfo-career-path.html> (last accessed 6 May, 2018).

holding a professional designation are entitled to reimbursement for the associated annual membership dues in accordance with their collective agreement.¹⁶

While individuals within FI group are not centrally managed in the same sense as NLO in terms of positioning of individuals throughout their career, the Office of the Comptroller General of Canada (OCG) has developed functional and behavioural competencies, required training curriculum and onboards all levels of financial officers. Starting with the recruitment of FIs through the FORD program. Under this program individuals are brought into the GoC as FI-01 and work towards the completion of their professional designation, while gaining breadth and depth of experience, and developing competencies required for advancement. Upon successful completion of twenty-four months of the thirty-month program they are eligible for employment as FI-02.¹⁷ As an example beyond the entry level, a newly developed Advanced Finance Officer Development Program (AFODP) is being piloted in 2018. The twenty-four-month program is targeted at FI-02 and FI-03 with the aim of preparing individuals for advancement to the FI-04 level.¹⁸

The CAF has moved towards the restriction of entry into the Logistics Officer occupation, but nothing to-date has been done to parallel the FI-02 requirement within

¹⁶ Association of Canadian Financial Officers and Canada, "Agreement between the Treasury Board and Association of Canadian Financial Officers," <https://www.tbs-sct.gc.ca/agreements-conventions/view-visualiser-eng.aspx?id=11> (last accessed 6 May, 2018).

¹⁷ Canada. Department of National Defence, "Financial Officer Recruitment and Development (FORD) Program," <https://www.canada.ca/en/treasury-board-secretariat/programs/job-opportunities/careers-finance-internal-audit/benefits-financial-officer-recruitment-development-program.html> (last accessed 6 May, 2018).

¹⁸ Treasury Board of Canada Secretariat, "Advanced Financial Officer Development Program," [http://www.gcpeia.gc.ca/wiki/Chief_Financial_Officer_\(CFO\)_--_Dirigeant_principal_des_finances_\(DPF\)](http://www.gcpeia.gc.ca/wiki/Chief_Financial_Officer_(CFO)_--_Dirigeant_principal_des_finances_(DPF)) (last accessed 6 May, 2018).

DND to have 6 courses in either accounting or finance let alone demand that officers in senior finance positions hold a professional accreditation. The document which outlines the promotion merit criteria, known as the *promotion scrit*, provides that points will be awarded for up to three post-graduate programs or professional designation for officers at the rank of Lieutenant-Commander, and points for all post-graduate programs or professional designations at the rank of Commander. This suggests that the CAF does place value on these credentials; and yet, there are no positions that are identified in the Automated Establishment Report (AER) as requiring professional accreditations. Further, unlike those in the FI group, NLOs are not reimbursed for the membership fees associated with holding a professional designation.

As a Logistics Officer progresses through their career there are speciality specific qualification to be obtained. According to the Courseware Development Database (CDD)¹⁹ and the Training Development Management System (TDMS) there are currently Occupational Specialty Specifications (OSS) available for CAF Finance Officers. These are the Financial Services Officer (32 training days), Financial Management (13 training days), Post-Graduate (PG) Financial Management, and Certified Management Accountant (CMA) (now Chartered Professional Accountant). According to the *CAF Manual of Occupational Specialty Specifications* (OSS) there are other OSS prescribed for Finance Officers²⁰; however, there are no Qualification Standards (QS) or Training Plans (TP) found even in the archive section of the CDD. Of note Financial Management

¹⁹ Canada, Department of National Defence. "Courseware Development Database"
<http://borden.mil.ca>

²⁰ Canada, Department of National Defence. *CAF Manual of Occupational Specialty Specifications*, A-PD-055-003/PQ-001, (Ottawa: DND, 2009), SS AHIM.

Level II and III are two qualifications which according to the AER are still required by more than a dozen positions throughout the CAF including a couple of Level 2 Comptrollers and the Director of Budgets. While the AER indicates that these are required, the same system reports that there are in fact no members of the CAF with these qualifications. As these last two qualifications have been confirmed to be obsolete, this demonstrates a data latency issue with the AER. Other queries that were reviewed from the AER would suggest that only four officers hold the PG Financial Management and only three hold the CMA qualifications which is simply not true.²¹ These issues in data management will have a negative impact on the succession planning of positions and the people to be employed in them.

By comparison, the Finance Community has several courses that are available to its members on an as needed basis. The courses are delivered through the Canadian School of the Public Service (CSPS).²² The courses include topics such as: Application Costing, Balanced Scorecard, Accounting and Control Expenditures, and Business Analysis.²³ While members of the FI group are required to complete federally mandate courses such as Expenditure Management, Green Procurement, and Contracting Direct with Trade to obtain a delegation of financial authority; there is little in the way of

²¹ It is well known in the NLO community that many in the occupation have an MBA that would qualify for the PG Financial Management qualification. This author could name more than the four and three listed respectively.

²² Canada, "Canada School of Pubic Service." <http://www.csps-efpc.gc.ca/index-eng.aspx> (last accessed 6 May, 2018).

²³ These are courses are offered through a mixture of online and classroom modes of delivery. NLOs do routinely have access to courses offered on by the CSPS except for federally mandated training such as that related to the delegation of financial authority.

required government finance specific coursing provided to the FI group.²⁴ The CSPS and the Office of the Comptroller General of Canada have worked together to create a basic curriculum for financial management professionals (FI-01 to FI-04). This new suite of four learning solutions must be completed by all new financial officers within their first two years in the FI group. The four courses are F111-Financial Management Control Frameworks; F112 – Government Planning, Budgeting, Reporting and Evaluation Cycle; F113 – Financial Management Systems; and F304 – Applying Key Concepts in Financial Management. The first three courses; however, can be completed in a total of six hours, and the last course is a single one-day classroom-based course.

There are three main ways in which a Logistics Officer can pursue professional development or formal education that is either paid for or reimbursable to the officer. Firstly, there is the Sponsored Post-Graduate Program (SPGP) under which officers can pursue a Master of Business Administration. As it relates to a Logistics Officer, the SPGP is targeted at providing the officer with one of the SS previously mentioned – Post-Graduate Financial Management. Next, under the Education Reimbursement (ER) program individuals can seek reimbursement for a variety of part-time studies including: undergraduate, post-graduate degrees, professional designations, certificate and diploma programs, and even individual courses.²⁵ Finally, there are training/education opportunities that can be created by managers or by request of an officer that can be

²⁴ These courses are only examples and not an exhaustive list. Those exemplified relate to the delegation of financial authority under the Financial Administration Act.

²⁵ The program type itself is not restricted, but the field of study must be “in the interest of the C[A]F.” Under ER, an individual learning plan (ILP) is submitted for approval prior to completion of the studies. The Canadian Defence Academy determines the suitability of the proposed studies, and if approved the individual will know in advance that their studies will be funded.

approved at much lower levels. As an example, the Financial Management Institute of Canada (FMI) hosts an annual professional development week that is targeted at Chartered Professional Accountants (CPA) as a component of their required continued professional development, and finance professionals within the public sector who are seeking a developmental opportunity.²⁶ Following a decision from the Comptroller General of Canada regarding FMI activities, ADM Fin (CS) has communicated to DND that these activities, even if having conference in the title, may be approved by local managers that have the authority for training and travel authority delegated to them. With the exception of the SPGP the FI group has access to equivalent programs in the GOC. The main difference is that the ER for public servants is approved by the local manager rather than being centrally managed.²⁷

Overall these programs provide members of the FI group and NLOs a significant amount of latitude to those who wish to engage in life-long learning through either professional development opportunities or formal education. One of the barriers of accessing the ER program is that the individual must pay for their studies and wait until they have completed a course to be reimbursed. In terms of locally approved training, public servants must be canvassed for a personal learning plan which includes the anticipated costs; however, there is not a process that is quite this formal for NLOs. Another challenge to accessing locally approved professional development are competing

²⁶ Financial Management Institute, "Financial Management Institute PD Week," <http://www.fmi.ca/events/pd-week/> (last accessed 6 May, 2018).

²⁷ "CPAO 9.03 Training Courses Taken Outside Normal Working Hour." <http://cfo-dpf.mil.ca/en/learning-careers/access-second-language-training.page#reimbursements> (last accessed 6 May, 2018).

priorities in terms of time away from work or the ability of the local budget to support the opportunity.²⁸

CAREER PATH MODELING

NLO Career Path

Defence Administrative Orders and Directives (DAOD) 5031-8 *Canadian Forces Professional Development* provides a framework for general officer development within the CAF. It establishes Developmental Periods (DPs), and the milestones to be met to progress to the next DP. There are 5 DPs in total; however, the last DP pertains to General or Flag Officers and is beyond the scope of this paper.²⁹ As was mentioned in the introduction of this paper, the CAF Logistics Officer is a sometime specialist with a generally broad experience base and their career path models are managed by their respective environment. In the case of NLOs this management is the responsibility of the Director of Naval Logistics as the Logistics Branch Naval Co-Advisor.

In 2014, the Director of Naval Logistics issued a directive that was aimed at establishing the framework for NLO junior officer positions and employment cycle, a set of NLO career path models (by discipline or specialty) for DPs 1 to 4, and the NLO succession planning policy. The office of the Director of Naval Logistics has been consistent with its messaging about the importance for members of the NLO occupation

²⁸ Civilian employees may request learning opportunities with their managers/directors and obtain support for these activities through their learning plan which is part of the annual Performance process. The limitation of local budgets (once allocated) and time away from work still apply as limiting factors.

²⁹ Canada. Department of National Defence., "DAOD 5031-8 - Canadian Forces Professional Development," <http://www.forces.gc.ca/en/about-policies-standards-defence-admin-orders-directives-5000/5031-8.page> (last accessed 6 May, 2018).

to maintain their credibility as Naval Officers – the sailor first principle.³⁰ As such, the foundation of all specialties starts with the pursuit of the Head of Department Qualification. Officers not achieving this fundamental qualification should not expect to hold senior Logistics positions within the RCN.³¹

During DP1 (Naval Cadet and Acting Sub-Lieutenant) NLOs must attain the following: Basic Military Officer Qualification, Naval Environmental Training Period Officer (NETPO), Logistics Officer Course Common (LOCC), Logistics Officer Course Sea (LOCS), Supply, and Financial Services Officer (FSO). While there are some components of finance provided during the LOCS course, it is during the FSO course that DP1 NLOs get their foundation in finance from a departmental perspective. DP1 for all occupations terminates at “that point in the training progression of a CAF member when the CAF member has completed all qualifications required for first employment in their military occupation and is considered trained to an operationally functional level”³² - the operationally functional point (OFP).³³ Since OFP for NLO is met upon completion of the courses listed above DP1 typically terminates without any employment.

Through DP2 (Sub-Lieutenant and Lieutenant (Navy)) there are components of professional development but also recommended employment. According to the AER, the Logistics Financial Management Course provided to selected NLO at DP2 is a

³⁰ Canada. Department of National Defence., "D NAV LOG Directive 01/14 Naval Logistics Officer Occupation Management," Ottawa, 2014a). p. 4

³¹ *Ibid.*

³² Canada. Department of National Defence., "DAOD 5002-7, Non-Commissioned Member Subsidized Training and Education Plan – Regular Force," <http://www.forces.gc.ca/en/about-policies-standards-defence-admin-orders-directives-5000/5002-7.page> (last accessed 6 May, 2018).

³³ Canada. Department of National Defence., "DAOD 5031-8 - Canadian Forces Professional Development,"

required qualification for more than 80 percent of positions that require any finance specific qualification. The model also lists Post-Graduate Financial Management and Accounting Designation as formal education objectives. It should be noted that historically Post Graduate Financial Management has been reserved for those in the rank of Lieutenant-Commander in DP3,³⁴ and professional designations related to any of the specialities for NLO have been on a part-time basis under an ILP as noted in the previous section of this paper. In terms of employment, during this period the model prescribes positions in Level 1 or 2 Comptroller organizations, and if selected a tour as the Head of Logistics Department in one of Her Majesty's Canadian Ships. Based on the minimum time in required at each rank, it will take individuals a minimum of five years to complete it this DP.

It is over the course of DP3 (Lieutenant-Commander and Commander) where NLOs get their formal development in the operational level including the operational planning process (OPP) in the Advanced Logistics Officer Course. After employment in a Level 1, 2, or 3 Comptroller organization, and a Command Tour, and in accordance with the succession plan, NLOs may be offered an opportunity to complete the Joint Command and Staff Programme (residential or remote delivery). The role of JCSP is to “prepare selected senior officers of the Defence Team for command and staff appointments in the contemporary operating environment across the continuum of

³⁴ According to the AER the author of this paper attended this qualification with all 4 NLOs registered in the system as having this qualification at the rank of Lieutenant-Commander. This low number is something that will be discussed at a later point in this paper.

operations in national and international settings.”³⁵ After promotion to Commander there is additional prescribed employment as the Base Administration Officer or as a Level 2 Comptroller. Although not listed in the model, Deputy Comptroller in a Level 1 organization is also common. The minimum duration of this DP is seven years.

Culminating in DP4 (Captain Navy), the National Security Program (NSP) constitutes the only formal professional development ascribed to NLOs. The aim of NSP “is to prepare selected military, public service, international and private-sector leaders for future responsibilities within a complex and ambiguous global security environment.”³⁶ Employment as a Level 0 or 1 Comptroller or as the Logistics Branch Advisor round out this period. The final developmental period within the Logistics Officer occupation could be as little as two years.

FI Career Path

Perhaps somewhat akin to the Logistics Branch, the FI group has a Finance Community that supports the development of its members. The Logistics Branch provides support to a wide range of support disciplines, while the Finance community FI group is formed solely by experts in the field of finance, and whose employment is exclusively in one or more of the functional competencies – accounting operations, planning and resource management, financial policy, and financial systems.³⁷ With a

³⁵ Canada. Department of National Defence., "Joint Command and Staff Programme," <https://www.cfc.forces.gc.ca/226-eng.html> (last accessed 6 May, 2018).

³⁶ Canada. Department of National Defence., "National Security Programme," <https://www.cfc.forces.gc.ca/242-eng.html> (last accessed 6 May, 2018).

³⁷ Canada, "Manager's Guide to Financial Officer Competency-Based Management," <https://www.canada.ca/en/treasury-board-secretariat/services/reporting-government-spending/what-we-are->

history of development beginning in 2006, the Deputy Chief Financial Officer (DCFO) Council established the FI to Chief Financial Officer (CFO) Career Path. This career path model was developed to serve two purposes. Chiefly, it was to “identify the skills and competencies needed by a financial officer who aspires to become a CFO.”³⁸ It would also “serve as a guide for financial officers and leaders in planning their career.”³⁹ The model was reviewed and bolstered in 2012 to include the community of financial management executives (EX).

The FI to CFO path provides the qualifications required for promotion or appointment to the next level. It breaks these qualifications down by foundational requirements, functional experience, breadth of experience, and competencies. Foundational requirements include years in level, education, professional accreditation, and bilingual capacity.⁴⁰ Since the education requirements were covered in the previous section they will not be repeated in the path descriptions, except in presenting the FI-01 as this was not sufficiently presented in the previous section. As the bilingual capacity for Level 1 Comptroller whether EX-01 or Captain Navy are the same, this will also not be discussed further.

Functional experience is divided into two blocks of functionality.⁴¹ Block 1 is comprised of the more strategic functions of finance such as: financial planning, external

[doing/managers-guide-financial-officer-competency-based-management.html#cha32](https://www.treasury.ca.gov/doing/managers-guide-financial-officer-competency-based-management.html#cha32) (accessed 6 May, 2018).

³⁸ Treasury Board of Canada Secretariat, "FI to CFO Career Path"

³⁹ *Ibid.*

⁴⁰ *Ibid.*

⁴¹ Termed by the author of this paper for ease of explaining the experiences required by FIs during the development

reporting, internal resource management. Block 2 functionalities are formed from the more complex functions such as: advisory services,⁴² accounting operations, financial systems, financial policy, costing, and internal controls. Breadth of experience for the FI group is not simply measured in terms of functional diversity, but rather in terms of service delivery type, regional location, managing staff, and audit (internal or external). Competencies will not be address in this paper as they closely resemble the sort of characteristics that would be expected to be developed in NLOs throughout their development as general officers in the CAF. In general FI-01 and FI-02 experiences are focused on transactional experience establishing a mastery of the Defence Resource Management Information System (DRMIS) a SAP based Enterprise Resource Planner. In contrast, those of FI-03 and above are focused on advisory, analysis and interpretation of reports, and management.

Starting as an FI-01, this is the entry level of finance specialist in the GoC. A uniqueness of this level is the lack of a requirement for an undergraduate degree.⁴³ At this level individuals are encouraged to work not only towards an appropriate degree, but also to seek professional accreditation. Functionally, to advance to the next level, the FI will needs only to be experienced in one block 1 function. There is no requirement for breadth of experience to be considered for FI-02, but it takes a minimum of two years to gain the necessary experience to advance.⁴⁴

⁴² Beyond the level of FI-02 Advisory Services becomes a block 1 function.

⁴³ The feeder groups to FI are CR and AS which often are required to have a 2-year college diploma or certificate.

⁴⁴ Treasury Board of Canada Secretariat, "FI to CFO Career Path"

Advancing, an FI-02 should continue to work towards professional accreditation, gain experience in one function from each of blocks 1 and 2. Focus of breadth of experience to progress beyond this level should be targeted at service types; working in organizations of varied size; working with varied fund types such as operating and maintenance, capital, and grants (financial management complexity); and supervisory (managerial) roles. It will normally take a minimum of three to five years to develop the function and breadth of experience to prepare an FI for the next level appointment.⁴⁵

It is strongly recommended that FI-03s work towards the completion of their professional designation. Those having completed it will need to maintain their designation through continuing professional development (CPD), instructing or speaking, board or committee membership, and research or writing for publication.⁴⁶ As noted by Chartered Professional Accountants (CPA) Ontario, not all an individual's CPD may come from one activity type, and they must complete 20 hours annually. There is a further requirement of CPD in that at least 50 percent of it must be verifiable - the evidentiary documentation required varies by the activity type. This CPD after several years becomes as valuable as the original education as it maintains professional currency.⁴⁷ With additional area to develop breadth (audit and central agency) gaining

⁴⁵ *Ibid.*

⁴⁶ CPA Ontario. "Continuing Professional Development." <https://www.cpaontario.ca/cpa-members/obligations/continuing-professional-development> (last accessed 6 May, 2018).

⁴⁷ Vivian Kloosterman, "The Importance of Continuing Professional Development (CPD)," <http://continuingprofessionaldevelopment.org/why-is-cpd-important/> (last accessed 6 May, 2018).

experience in two finance functions from block 1 and one from block 2 will take a minimum of another three to five years.⁴⁸

As with the previous level, FI-04s will need to continue to engage in life-long learning through CPD as established by their certifying body. In terms of breadth of experience this is the point at which all original block 1 functions become essential, advisory services is desirable, and the experience from block 2 must be maintained. While breadth in all areas is desirable it is essential in managerial, financial management complexity, and departmental (varied sized organizations). It is expected to take a minimum of four or five years to gain the needed experience to be appointed from FI-04 to the first level of financial management executives EX-01.⁴⁹

For EX-Other (EX-01 in DND) to EX-DCFO the model does not change from that of advancing beyond FI-04. The experience in function and breadth remain the same, as do the CPD requirements. Although no further definition of experience is provided between EX-Other and EX-DCFO the model indicates that it will normally take four or five years in level to prepare for advancement.

DISCUSSION

The entry and development standards for DND's two streams of Finance Officers are quite different (CAF vs GoC). What is consistent between them; however, is the legislation related to financial management, and the accountability for public funds. To begin a comparison of the pathways and professional development of the FI group and

⁴⁸ Treasury Board of Canada Secretariat, "FI to CFO Career Path"

⁴⁹ *Ibid.*

NLO Finance Officer an understanding of how the two groups relate in terms of rank versus level (see Table 1) is necessary. While the development of an FI tends to be neatly contained within a level, that of an NLO is blended across ranks in a couple of instances. To simplify the analysis an assumption is made that in the case of either Captain Navy or EX-Other their first employment in this rank or level is a Level 1 Comptroller. The comparison will look at experience in years, function and breadth of experience, and professional development.

Table 1: CAF Rank and GOC Level Comparison

Naval Logistics Officer Rank Canadian Armed Forces	Financial Management FI Group Level Canadian Public Service
Acting Sub-Lieutenant and Sub-Lieutenant	FI-01
Lieutenant Navy	FI-02
Lieutenant-Commander	FI-03
Commander	FI-04
Captain Navy	EX-01

The first to be examined will be the minimum number of years of experience working in the finance discipline for the two groups. For FI-01 to EX-01 there would be a minimum of between twelve and eighteen years of experience. NLOs advancing from Acting Sub-Lieutenant to Captain Navy is a theoretical possibility in fourteen years based on minimum time in rank. Due to the requirements of obtaining experience in other areas besides finance, it is most likely that most NLOs would not have more than eight years of concentrated finance experience. To add balance to this comparison it must be noted that some positions such as the Head of Department onboard ship and the Fleet Logistics Officer have more involvement in financial management than other sub-unit command

positions. In fact, many positions outside of the finance specialty do have a significant component of managing financial resources (budget reporting and business planning).

Next, to be addressed is the definition of experience that is provided in the FI path. Here there is not only function of experience, but breadth as well. To more fully gain experience within in an organization one must spend at least two fiscal cycles in that organization.⁵⁰ When you include the planning, execution, closing and reporting requirements two fiscal cycles run almost three years. Short duration NLO postings (particularly those less than twenty-four months) are likely to reduce the ability for some officers to obtain the fullest range of experience from the targeted employment. In the case of either FI or NLO it will be important to attempt to gain experience within the organization for which they will become the Level 1 Comptroller. Gaining experience in the targeted organization will allow for the individual to have a better understanding for the business of that organization.

The final point in comparing the paths is professional development. The FI group has a substantial requirement for extracurricular development in the form of CPD as required by their professional accounting governing body. While it is acknowledged that not all the CPD is conducted outside of normal business hours, the requirement to remain current lends authenticity to the professional accreditation. NLOs have no professional development specific to finance after the formal course provided in DP2. While they are assessed on professional development in their annual personnel evaluation report, there is no established framework as to how this is to be achieved. The establishment of such a

⁵⁰ Here the author relies on discussion with other finance officers and years of experience as a NLO finance specialist.

framework would aid in the maintaining an individual's financial acuity particularly in years when they may not be employed in a pure financial management position.

In opening the books for this paper, the GCQ (archived and no longer in force) was presented as the foundation for the creation of the FI to CFO path. The guideline required that at least one of either the CFO or the DCFO in DND must have a professional accounting designation. This has been modernized under the Policy for Financial Management and allows for discretion in the Comptroller General of Canada to determine a suitable level of education or experience in lieu of a professional designation. In terms of CAF Level 1 Comptrollers perhaps it should be noted that either Comptroller or their Deputy should hold a designation or that their education and experience be reviewed by the departmental CFO. In the alternate having someone with a designation as a senior staff officer in the office of the Comptroller that could act in an advisory role would ensure that the Comptroller is fully supported. The last two RCN (Level 1) Comptrollers have not held professional accounting designations. Until the CAF is prepared to compensate its members for their professional designations irrespective of the discipline, but here accounting, it may be hard to ensure this mix within the uniformed force. The lack of professional accountants in uniforms could be mitigated by employing a credentialed FI as a senior member of the comptrollership in the role of an advisor.

CONCLUSION

This paper has laid out the entry to Level 1 Comptroller career path models for both the FI/EX group and that of the NLO Finance Officer. While the former comes to DND as an expert in the field of finance, the later enters and must for now maintain a

generalist ability to work in the multiple disciplines of the Logistics Officer occupation. Certainly, one of the strengths of the Logistics Branch is in provision of a more fulsome curriculum of government finance to its officer corps when compared to that of the essentially two days of training provided to the FI group. Both the FI and NLO have demonstrated a high level of value being placed on breadth and depth of experience; however, it was noted that at times shortened postings can have an impact on the gaining of experience within a given organization. While the current path from DP1 to DP4 for NLO does not include a dedicated support to attaining professional accreditation, this has not stopped it from happening. A more structured professional development program for NLOs related to their specialty that would follow them through somewhat less finance intense posting could have a positive impact on their overall development in their speciality. This could mimic the CPD of accredited FIs which several years after completion becomes more important than some of the original education. This same advice would be equally important to the FI group for its members that are not seeking employment beyond the level of FI-03. Finally, the CAF is perhaps not as well served as it could be with the AER in terms of matching positions to people and vice versa. The data latency noted during this research demonstrates that those that are centrally managing the occupation of Logistics Officer are having to rely more and more on analog file reviews to verify the credentials of the corps.

Overall based on the goals of the Treasury Board Policy on Financial Management, there is evidence presented herein that the development of NLOs to the position of Level 1 Comptroller is lacking. There is the cost of having an agile Logistics Officer that can be deployed in several different roles and performing as a strong

generalist within its multidisciplinary occupation across a variety of mission sets. The question that remains is which has the greater risk to the CAF's mission success not being a specialized as their civilian counterparts or not being enough of generalist to provide flexibility of effective employment?

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