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PROFESSIONAL DEVELOPMENT OF MILITARY FINANCE OFFICERS: TIME TO INVEST!

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JCSP 40

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PROFESSIONAL DEVELOPMENT OF MILITARY FINANCE OFFICERS: TIME TO INVEST!

by LCol C.S.Gauthier

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ABSTRACT

Over the years, the Government of Canada has promulgated rules, regulations, policies and guidelines that define the current environment and context of financial management for all departments. This paper examines whether the current professional development (PD) framework for military finance officers provides the Department of National Defence (DND) and the Canadian Armed Forces (CAF) with the capability to exercise prudent fiscal management and if it is aligned with governmental requirements.

Through the analysis of the three groups of the *military perspective* of being a military officer, a military logistics officer and a finance officer, the following three main conflicting essential PD requirements are identified: 1) conflicting requirements between the generalist approach of logistics and specialist requirements of being a Comptroller, 2) limited time available to fulfill all requirements in a 35-year career and 3) the absence of requirements to develop strategic leaders that would operate in a DND environment, not only within CAF. Furthermore, to reinforce the conclusions made through the analysis of the *military perspective*, the PD framework of civilian Financial Officers is presented and compared.

Ultimately, the current PD for military finance officers has to be modified to avoid the risk of losing finance credibility and having a gap in financial functional experience and competencies between civilian and military finance officers. Finance credibility in DND has to be as important as the military credibility in the CAF. Flexibility and compromises are required in the PD framework in order to develop a qualified and competent pool of candidates for the

succession management of the highest military finance officer position; the Deputy Chief Financial Officer of the department.

It's all to do with the training: you can do a lot if you are properly trained.

– Elizabeth II, Queen of Great Britain

INTRODUCTION

For the last 15 years, transparency and accountability have been two recurring themes in government operations. As a result of scandals, criticisms and demands from the Canadian population, different governments have launched a series of initiatives in order to strengthen and improve financial management of public resources. The Department of National Defence (DND) and the Canadian Armed Forces (CAF) have not been spared from such initiatives and are expected to follow governmental policies, like any other department. However, the financial management of DND and the CAF is challenging in many ways. Having the biggest discretionary budget of the government¹, DND is often the target of major cuts when the Canadian economy struggles or is the target of questioning when the CAF are not involved in major international operations. With the size of its budget, the department's financial situation and management is of interest to the population, the media and politicians, which has been demonstrated by recurring headlines in the news. DND is also a complex organization with two chains of command to the Minister with the Chief of Defence Staff (CDS) for the CAF and the Deputy Minister (DM) for the department. From the perspective of financial resources, the complexity resides with the fact that the DM, not the CDS, is the accounting officer and therefore, accountable to Parliament. Personnel of the CAF, whom answer to the CDS, have financial delegation authorities from the DM in order to execute their activities. The challenge this creates is the CAF control their own military activities but the DM controls financial

¹ Craig J. Stone and Binyam Solomon, "Canadian Defence Policy and Spending," *Defence and Peace Economics*, Vol 16(3) (June 2005): 161.

resources and has, ultimately, sole authority on financial decisions for the department, which could have a direct impact on military activities.

The importance of financial management across the government is undeniable and DND and the CAF must be able to rely on their military and civilian finance communities to provide financial management skills and knowledge. The aim of the paper is to examine whether the current professional development (PD) framework for military finance officers provides DND and the CAF with the capability to exercise prudent fiscal management and if it is aligned with governmental requirements. This will be achieved through seven Chapters.

The first Chapter will introduce the evolved and regulated environment of financial accountabilities and financial management, which has become one of the central points in government. It will set forth four main governmental initiatives which serve as the foundation to understand governmental requirements as well as the roles and responsibilities of financial officers across government. These initiatives have had a significant impact on financial management regulations, policies and guidance, which have evolved and changed over the years. They have set new requirements and responsibilities for DMs, Chief of Financial Officers (CFO) and ultimately, finance officers. The four initiatives are the Modern Comptrollership Initiative, the Management Accountability Framework, the Federal Accountability Act and the current Policy Framework for Financial Management.

With governmental requirements established, Chapter 2 to 5 will focus on the *military perspective*, more specifically, the professional development of military finance officers. Military finance officers have to fulfill essential requirements related to three groups: being a military officer, being a military logistics officer and finally, being a military finance officer.

Chapter 2 will cite the essential requirements of being military officer described in the Officer General Specifications (OGS). Then, Chapter 3 will look at the essential requirements of being a military logistics officer described in the Job-Based Occupational Specifications (JBOS) for Logistics. Finally, Chapter 4 will offer the essential requirements described in Treasury Board (TB) Policies, TB Guidelines and departmental references. The last component of the *military perspective* is the analysis of all essential requirements described in Chapter 2 to 4.

Consequently, Chapter 5 will demonstrate that military finance officers face both synergy and conflicting requirements during their PD.

Because the finance community in DND includes both military and civilian finance officers, Chapter 6 will focus on the *civilian perspective*. It will outline the PD framework of civilian Financial Officer (FI) of the Public Service (PS), the FI to CFO career path, which is currently used in the PS to generate skilled and capable FIs. In addition, a comparison of their requirements with the military finance officers' PD will be presented.

Based on conflicting requirements introduced in Chapters 5 and 6, Chapter 7 will schematize the current PD framework of military finance officers. From potential avenues and ideas to address the main three conflicting requirements, it will present a modified PD framework as well as suggestions in the succession management of military finance officers.

Understanding that the PD for the Royal Canadian Navy (RCN) finance officers differs slightly from their Canadian Army (CA) and Royal Canadian Air Force (RCAF) colleagues, this paper focuses mainly on the PD in the CA and the RCAF. Consequently, and to simplify terminology, the rank structure, environment terminology and the perspective of a military finance officer of the CA will be used throughout. Notwithstanding, the focus on the CA and

RCAF through Chapter 1 to 6, the proposed changes identified in Chapter 7 integrate all three environmental perspectives.

CHAPTER 1 – FINANCIAL ACCOUNTABILITIES AND GOVERNANCE

INTRODUCTION

Governments at all levels are constantly under scrutiny from different stakeholders in order to ensure that public funds are appropriately used for mandated activities in an efficient and effective manner. Current financial accountabilities and governance, as it is known today, have evolved and been influenced by various governmental initiatives and policies over the years. Reform initiatives in the federal public sector are not a new concept. In fact, “since 1997, the federal government has been engaged in a number of initiatives to reform public sector management and to fundamentally transform federal administration and governance”.² The requirement to increase transparency and accountability in government operations has had a significant impact on financial management practices, policies and regulations for managers and finance officers in the Department of National Defence (DND) and the Canadian Armed Forces (CAF). It is through those various governmental initiatives that Treasury Board (TB) regulations, policies and guidance have evolved and changed. They have set new requirements, accountabilities and responsibilities for Deputy Ministers (DM), Chief of Financial Officers (CFO) and ultimately, finance officers. This Chapter will introduce four main initiatives that have changed the financial accountability environment, which serve as the foundation to understand the governmental requirements as well as the roles and responsibilities of financial officers across government. The four initiatives presented in the following sections are the Modern Comptrollership Initiative, the Management Accountability Framework, the Federal Accountability Act and the current Policy Framework for Financial Management.

² Jean Dupuis, *Modern Comptrollership and the Management Accountability Framework* (Ottawa:Library of Parliament, 2006), 1.

MODERN COMPTROLLERSHIP INITIATIVE

Modern Comptrollership Initiative (MCI) was launched by Treasury Board Secretariat (TBS) in 1998 as a three-year pilot project, which was implemented throughout government later in 2001.³ The aim of the MCI was to:

...develop standards and practices for integrating financial and non-financial performance information, and communicating the data to those who need it; properly assess and manage risk, and ensure appropriate control systems; and improve procurement practices, the management of assets, liabilities and real property, and other programs and financial management activities.⁴

This major initiative was not launched in isolation by TBS, but was one component of a bigger political agenda. In fact, for this specific initiative, *Results for Canadians: A management Framework for the Government of Canada* was the overarching governmental policy where the government wanted to focus on Canadian citizens, values, results and responsible spending.⁵ Consequently, MCI was promoting responsible spending by involving managers at all levels in comptrollership. The MCI is an important initiative because “DND was one of five departments selected to test the concept and the department embraced modern comptrollership as a key method to improve departmental processes.”⁶ As part of the MCI, an initiative was launched to provide “finance functional direction within DND/CF.”⁷ Through a co-signed letter from the DM and the Chief of Defence Staff (CDS) in 2000, a revitalization of the finance functional chain

³ Dupuis, *Modern Comptrollership...*, 6.

⁴ *Ibid.*, 6.

⁵ Treasury Board of Canada Secretariat, “Archived – Results for Canadians: A Management Framework for the Government of Canada,” last accessed 14 April 2014, http://www.tbs-sct.gc.ca/report/res_can/rc01-eng.asp#seca.

⁶ Lieutenant-Colonel Ross Fetterly, “Budgeting with Defence: Who gets What within Defence,” in *The Public Management of Defence* in Canada (Toronto: Breakout Educational Network, 2009), 77.

⁷ Departmental National Defence, “DM/CDS Letter,” last accessed 1 May 2014, http://admfincs.mil.ca/comptsec/comptrollership/statement_e.asp.

was undertaken to “enhance standardization of comptroller organizations, as well as their roles and responsibilities, throughout DND and the CF.”⁸

➔ Implication: the MCI was instrumental to the redefinition of roles and responsibilities of Comptrollers, civilians or military in DND and the CAF.

MANAGEMENT ACCOUNTABILITY FRAMEWORK

Building on the *Results for Canadians* policy, the government introduced the Management Accountability Framework (MAF) in 2003, listing 10 management expectations for DMs.⁹ Since its introduction, the MAF has evolved but remain “a key performance tool that the federal government uses to support the management accountability of DM and improve management practices across departments”.¹⁰ Because of its size in employees and budget, DND is considered a major department for which TBS has to perform an assessment every year.¹¹ As presented in Figure 1 below, the 10 management expectations of the MAF are high level interrelated categories under the responsibility of the DM.

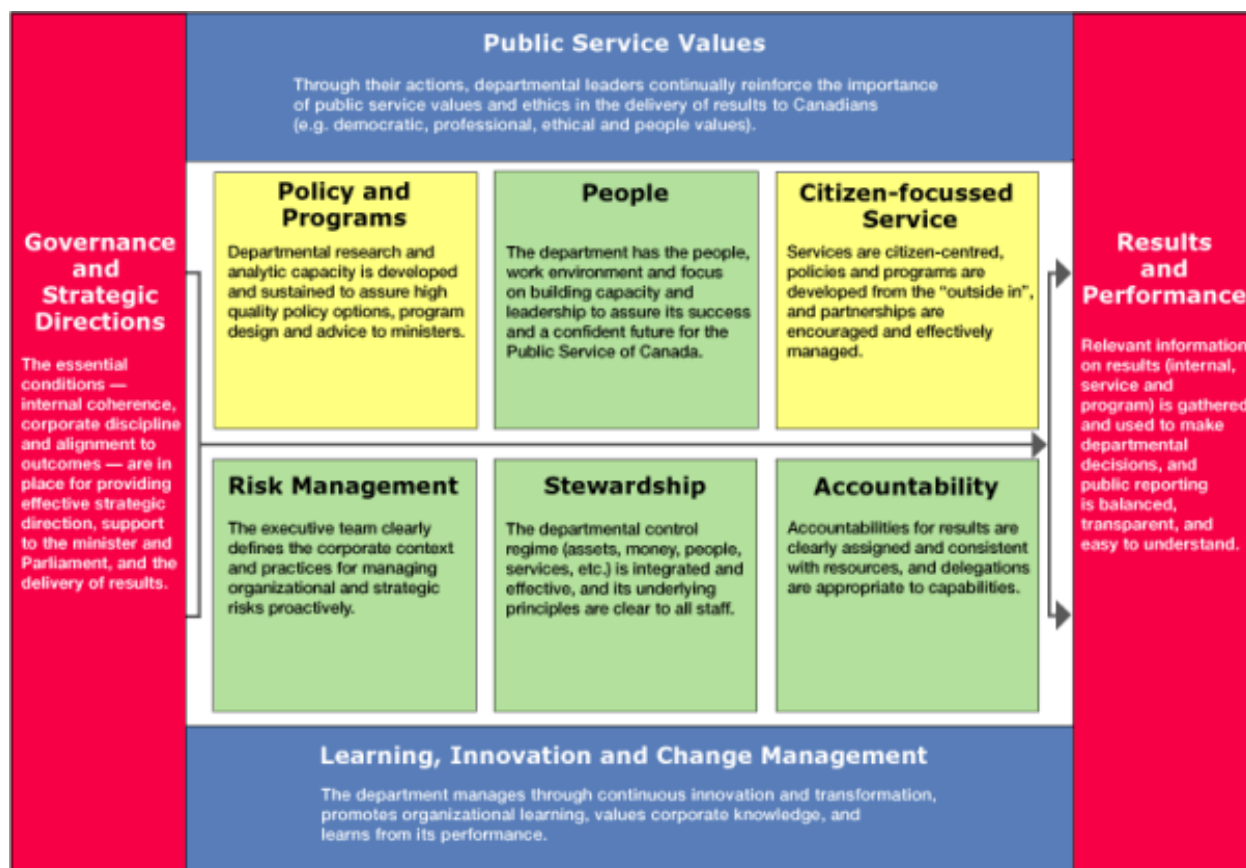
⁸ Departmental National Defence, “DM/CDS Letter,” last accessed 1 May 2014, http://admfincs.mil.ca/comptsec/comptrollership/statement_e.asp.

⁹ Dupuis, *Modern Comptrollership...*, 9.

¹⁰ Treasury Board of Canada Secretariat, “Management Accountability Framework,” last accessed 14 April 2014, <https://www.tbs-sct.gc.ca/maf-crg/index-eng.asp>.

¹¹ Treasury Board of Canada Secretariat, “How does MAF work,” last accessed 14 April 2014, <https://www.tbs-sct.gc.ca/maf-crg/overview-apercu/work-fonctionne-eng.asp>.

Figure 1: The 10 Elements of MAF



Source: Treasury Board of Canada Secretariat, "What are the 10 elements of the MAF," last accessed 24 April 2014, <http://tbs-sct.gc.ca/maf-crg/overview-apercu/elements-eng.asp>.

Moreover, the annual assessment itself considers 15 areas of management. Of interest for this paper, is the one of the six core areas of management *Financial Management and Control*.¹² Based on the 2011-12 results, DND was given an assessment of "acceptable" for *Financial Management and Control* where it was noted that "the Department is making steady progress year over year and demonstrating solid financial management practices... [with] some areas that

¹² Treasury Board of Canada Secretariat, "How does MAF work," last accessed 14 April 2014, <https://www.tbs-sct.gc.ca/maf-crg/overview-apercu/work-fonctionne-eng.asp>.

could be improved”.¹³ While the results for 2012-13 were not available at the time of this research, TBS temporarily changed the assessment process to include only the six core areas of management instead of 15, which includes *Financial Management and Control*.¹⁴

→ Implication: financial management is an area of high interest for DND and the CAF by being one of the six core areas of management assessed annually through the MAF by TBS.

FEDERAL ACCOUNTABILITY ACT

Even with a change in government in February 2006, the momentum to increase accountability and transparency was maintained. In fact, soon after its election, the Harper Government introduced the Federal Accountability Act (FAA) and Action Plan to “make the government more accountable”.¹⁵ This was another step to “strengthen accountability and increase transparency and oversight in government operations”.¹⁶ While many initiatives and actions are linked to the FAA, the area of interest for this paper is *Strengthening Auditing and Accountability within Departments*. More specifically, the FAA designed DMs as *Accounting Officers* who became “accountable before the appropriate committee of Parliament to answer

¹³ Treasury Board of Canada Secretariat, “2011-12 MAF Results – National Defence,” last accessed 14 April 2014, <https://www.tbs-sct.gc.ca/maf-crg/assessments-evaluations/2011/dnd/dnd-eng.asp>.

¹⁴ Treasury Board of Canada Secretariat, “Overview of the MAF Methodology for 2012-13,” last accessed 14 April 2014, <https://www.tbs-sct.gc.ca/maf-crg/indicators-indicateurs/2012/omm-vevc-eng.asp>.

¹⁵ Treasury Board of Canada Secretariat, “Federal Accountability Act,” last accessed 14 April 2014, <https://www.tbs-sct.gc.ca/faa-lfi/index-eng.asp>.

¹⁶ *Ibid.*

questions to specific areas of management within the framework of ministerial responsibility”.¹⁷

This new accountability framework highlights the following requirements for DMs¹⁸:

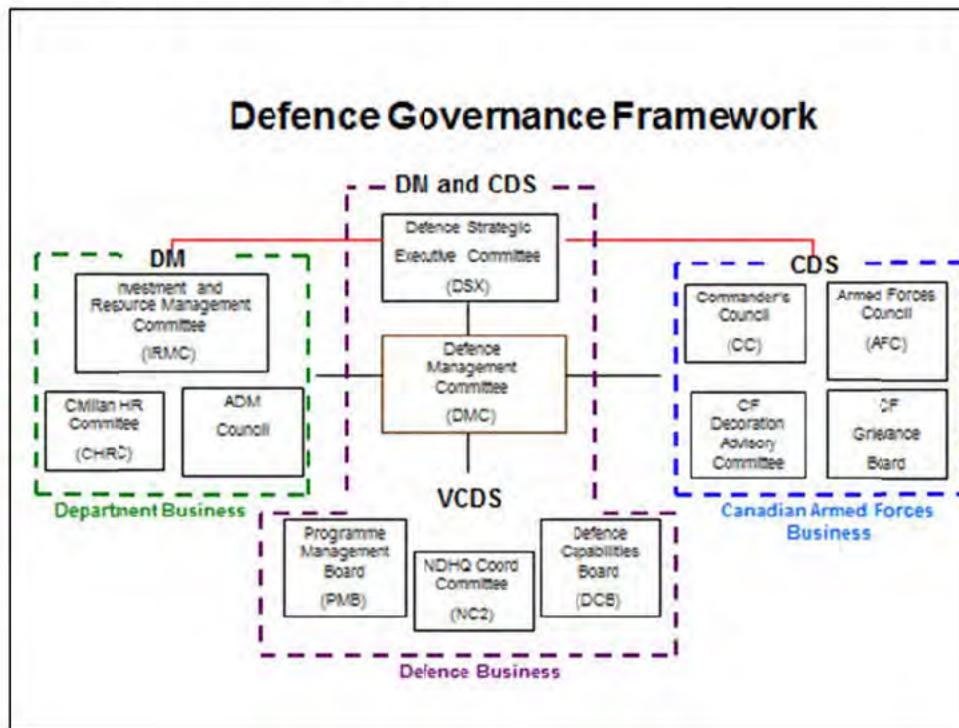
1. Ensure that resources are organized to deliver departmental objectives in compliance with government policy and procedures;
2. Ensure that there are effective systems of internal control;
3. Sign departmental accounts; and
4. Perform other specific duties assigned by law or regulation in relation to administration of the department.

But how does the FAA affect a department with two entities such as DND and the CAF with at their head, a DM and a CDS respectively, both reporting directly to the Minister? Changes to DND’s governance framework were made since the inception of the FAA in 2006 to ensure that the DM has a strong governance process in place to fulfill his/her responsibilities of being the Accounting Officer of the department. Currently, and as described in the Defence Governance Framework presented in Figure 2 below, the DM has the lead over the department’s business; shares the lead with the CDS over the defence business and the CDS has the lead over the CAF business. As stipulated in the FAA and represented under the Investment and Resource Management Committee (IRMC) box under the department’s business at Figure 2, the DM is the ultimate authority for financial resources within DND, including the CAF.

¹⁷ Treasury Board of Canada Secretariat, “Strengthening auditing and accountability within departments,” last accessed 14 April 2014, <https://www.tbs-sct.gc.ca/faa-lfi/fs-fi/16/12fs-fi-eng.asp>.

¹⁸ Treasury Board of Canada Secretariat, “Federal Accountability Action Plan, April 2006,” last accessed 14 April 2014, <http://www.tbs-sct.gc.ca/faa-lfi/docs/ap-pa/ap-pa00-eng.asp>.

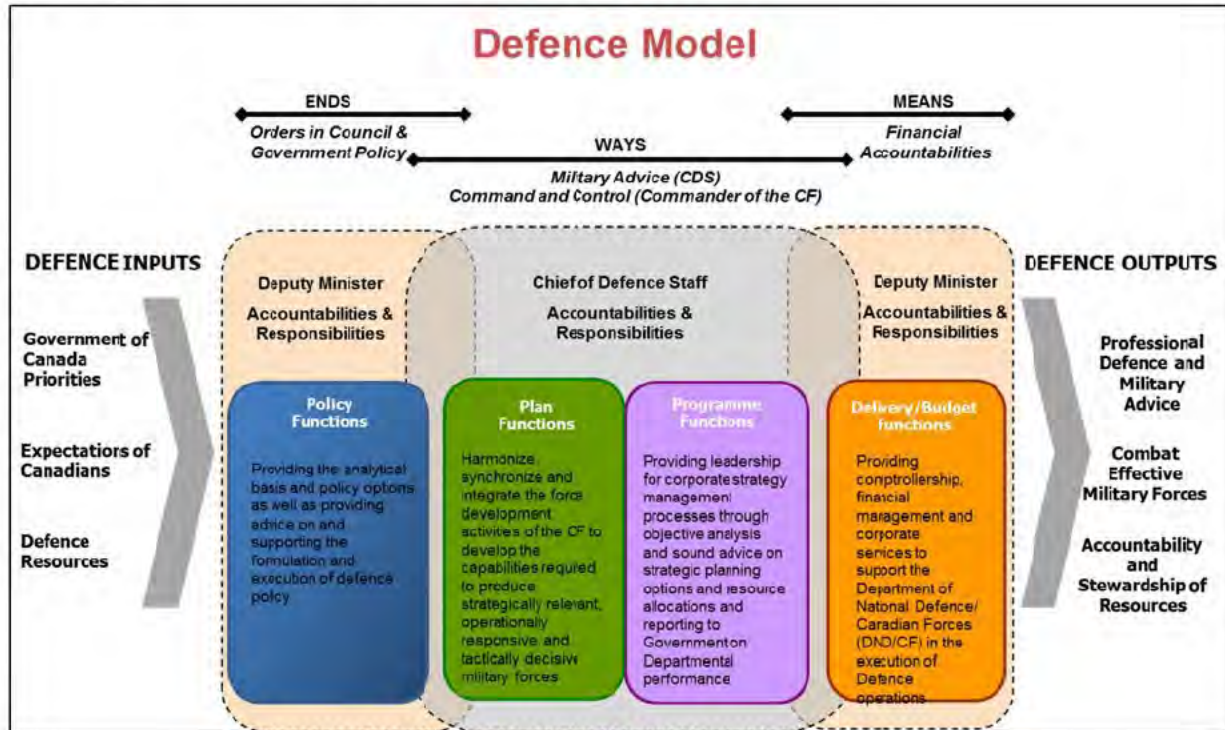
Figure 3: Defence Governance Framework



Source: Craig Stone, “Strategic Resource management” (lecture, Canadian Forces College, Toronto, ON, March 17, 2014), with permission.

In addition to the Governance Framework, the current Defence Model presented in Figure 3 below demonstrates in more detail the DM’s involvement throughout the spectrum of Ends, Ways and Means from policy to financial accountabilities within the department.

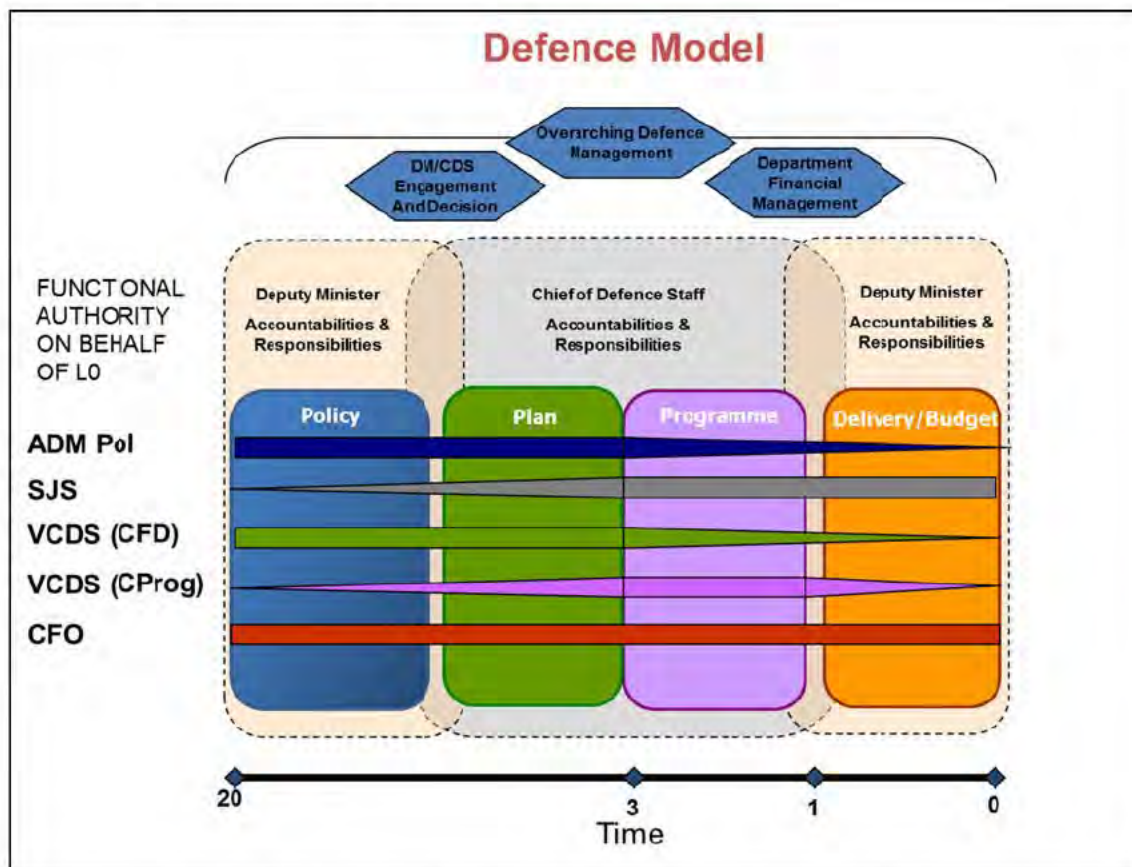
Figure 3: Defence Model – Ends, Ways and Means



Source: Craig Stone, “Strategic Resource management” (lecture, Canadian Forces College, Toronto, ON, March 17, 2014), with permission.

Finally, the financial accountabilities of the DM have a significant impact on the finance community in the department through the CFO. This is demonstrated by the constant involvement of the CFO in the department’s day-to-day business presented in Figure 4 below, where he or she is the only functional authority that remains a key player throughout the entire process, from policy to plan, programme and delivery/budget.

Figure : Defence Model – Functional Authority



Source: Craig Stone, "Strategic Resource management" (lecture, Canadian Forces College, Toronto, ON, March 17, 2014), with permission.

→ Implication: the CFO is a key player in every aspect of the Defence Model where his or her involvement is critical to the DM in order to fulfill his or her financial accountabilities in relation to the FA as Accounting Officer.

POLICY FRAMEWORK FOR FINANCIAL MANAGEMENT

The most recent governmental initiative on financial management is the Policy Framework for Financial Management, called the "Framework", which came into effect in 2010. The context of the Framework is that "Canadians expect the federal government to be well

managed and to be accountable for the prudent stewardship of public funds, safeguarding of public assets, and the effective, efficient and economical use of public resources”.¹⁹ It “presents the roles and responsibilities of key players in the area of financial management and outlines the key principles of four Policies”.²⁰ Moreover, it indicates that the CFO “directly supports the DM as the lead departmental executives for financial management, providing key objective strategic advice on the overall stewardship of the financial management culture and its performance”, confirming the position of CFO as critical for the DM.²¹

Out of the four Policies included in the Framework, one of importance is the TB Policy on Financial Management Governance, which lists the 17 responsibilities of the CFO. From those responsibilities, which are all presented in Table 1 below, the CFO’s generic responsibilities are to support the DM, be a strategic advisor, lead the financial component of planning, provide a challenge function, sign off everything related to finance within DND and provide functional leadership and direction to the financial management community.

Table 1: Responsibilities of Departmental CFOs

CFO’s Responsibilities²²	
1	Supporting the deputy head in the achievement of his or her mandate.
2	Supporting the deputy head for overall stewardship responsibilities and for the integrity of the department’s overall financial management performance, culture and capabilities.
3	Developing, communicating and maintaining the departmental financial management framework, and providing leadership and oversight on the proper application and monitoring of financial management across the department.
4	Ensuring that robust risk-based account verification procedures are in place, in compliance with the <i>Financial Administration Act</i> .
5	Leading the financial component of the departmental planning process on behalf of

¹⁹ Treasury Board of Canada Secretariat, “Policy Framework for Financial Management,” last accessed 24 April 2014, <https://www.fbs-sct.gc.ca/pol/doc-eng.aspx?id=18790§ion=text>.

²⁰ *Ibid.*

²¹ *Ibid.*

²² *Ibid.*

	the deputy head, unless the deputy head specifically designates another employee to do so.
6	Assessing, in collaboration with the Executive Management Team, principal business risks and financial resource implications of options and policy alternatives, and their impact on the department's financial position unless the deputy head specifically designates another employee to do so.
7	Signing financial management representations and disclosures such as the Departmental financial statements, including the <i>Statement of Management Responsibility Including Internal Control Over Financial Reporting</i> .
8	Providing the deputy head with reasonable assurance that appropriate measures are taken to maintain an effective system of internal controls and that processes are in place to ensure the effectiveness of departmental financial management.
9	Establishing and communicating clear responsibilities for holders of positions with delegated financial authorities, and monitoring adherence to these responsibilities.
10	Providing a challenge function on financial management matters and use of public resources across the department.
11	Signing off on all financial and related reports, submissions and disclosures of the department requiring approval of the deputy head.
12	Advising the deputy head, if a proposed course of action will result in undue financial risk or control exposure for the department or when the proposed course of action would not comply with the financial requirements of any legislation, regulation or policy.
13	Providing functional guidance, direction and advice to managers across the department on matters of financial management.
14	Maintaining financial management services that meet the needs of the department and managers at every level; and maintaining financial management service standards
15	Providing functional leadership and direction to the financial management community of the department.
16	Seeking clarification, as required and for accountability purposes, on the scope of the management and accounting entity or entities under his or her purview.
17	Being the primary contact point with the Office of the Comptroller General of Canada and Treasury Board Secretariat on all departmental financial resource management matters, including all departmental financial information preparation, reporting and disclosure matters.

→ Implication: the Framework is a critical set of Policies for financial management where CFO's responsibilities are listed. It infers that the following overarching requirements for CFOs have to be considered:

- Require knowledge of the DM's environment;

- Require knowledge of DND’s overall environment and processes, not only the CAF aspect;
- Require knowledge and expertise of all financial processes with Central Agencies in order to apply the challenge function and sign off ministerial document such as Memorandum of Cabinet and Treasury Board Submissions; and
- Be a strategic advisor on every aspect of DND’s business.

At this point, it is also important to highlight line 15 of Table 1, which states that the CFO is responsible to “provide functional leadership and direction to the financial management community of the department”.²³ Moreover, DAOD 1000-0 on Corporate Administrative Direction confirms the CFO as responsible to provide functional direction to all level ones on “management and administration of financial management and comptrollership services.”²⁴ According to the same DAOD, functional direction means “the provision of explicit and binding direction to a DND employee or CF member that permits no discretion in the execution of, and compliance with, the direction.”²⁵ Considering his/her responsibilities, to which extent should the CFO be involved in the career management of military finance officers?

CONCLUSION

In this Chapter, four main governmental initiatives were presented to demonstrate the continuous importance over the years of financial accountability and transparency in government operations. The MCI introduced in 1998, was instrumental to redefine roles and responsibilities

²³ Treasury Board of Canada Secretariat, “Policy on Financial Management Governance,” last accessed 24 April 2014, <https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=14005§ion=text#cha1>.

²⁴ Department of National Defence, “DAOD 1000-0, Corporate Administrative Direction,” last accessed 28 April 2014, <http://admfincs-smafinsm.forces.gc.ca/dao-doa/1000/1000-0-eng.asp>.

²⁵ *Ibid.*

of Comptrollers, civilian and military, in DND and the CAF. From a performance perspective, the MAF has provided a platform since 2003, for TBS to assess DND on an annual basis on 15 areas of management, for which *Financial Management and Control* is key. In 2006, the FAA increased the accountability of DMs and changed DND's governance framework where the DM not only leads the Policy but also the Financial Accountabilities activities. Moreover, it was demonstrated that the CFO is a key player in the department's governance in being the only functional authority remaining constantly involved throughout the Defence Model under policy, plan, programme and delivery/budget. Finally, in 2010 the Framework was introduced and presented a critical set of policies for financial management that serve, still today, as the foundation for governmental requirements as well as responsibilities of the DMs and CFOs.

It is in this evolved and regulated environment that financial accountabilities and financial management have become one of the central points in government. In order to fulfill their increasing responsibilities, the DM and the CFO need a skilled and competent finance community that can provide them with assurance and trust that the financial management of the department is efficient and effective. In DND, the finance community includes civilian Financial Officer (FI) from the Public Service (PS) and military finance officers from the CAF. Together, they support the CFO, the DM, the CDS, managers and commanders. While they have to fulfill the same financial responsibilities, they have very different professional development frameworks. In the next Chapters, both the *military* and the *civilian* professional development frameworks will be presented. It will provide an analysis to determine whether conflicting requirements within each perspective can be found and if gaps or synergy exist when comparing the two.

From a *military perspective*, the professional development of military finance officers can be divided into three distinct groups; 1) being a military officer, 2) being a logistics officer and 3) being a military finance officer. To begin this analysis, Chapter 2 will look at the first group of the *military perspective*: being a military officer. More specifically, it will list the essential professional development requirements of being a military officer within the CAF as described in the Officer General Specifications (OGS).

CHAPTER 2 – PROFESSIONAL DEVELOPMENT OF MILITARY OFFICERS

INTRODUCTION

From a *military perspective*, military finance officers like all military officers joining the Canadian Armed Forces (CAF) regardless of their environment and occupation, have to obtain minimum and common competencies described in the Officer General Specifications (OGS). In accordance with the doctrine, the OGS outlines:

... the breadth and depth of requirements for CAF officers and reflects the demands the CAF places on its Officer Corps. It's the essential requirements that officers are expected to meet and maintain during their military careers and provide the framework for the development and support of CF officers in their roles as military leaders.²⁶

Throughout the professional development of all military officers, the focus is on *leadership*. In fact, the OGS states that the fundamental responsibility of an officer is to provide leadership.²⁷

More specifically, the OGS defines five main responsibilities of an officer, which are listed in Table 2 below:

Table 2: List of Responsibilities for CAF Officers

Responsibilities²⁸
1. Provide leadership to the men and women of the CAF (fundamental responsibility)
2. Perform operational roles in pursuit of Canada's national security interests
3. Function as staff officers and resource managers
4. Understand and promote CAF's values
5. Represent both Canada and the CAF when dealing with government officials, the public, the media and members of the armed forces and citizens of their nations

²⁶ Department of National Defence, A-PD-055-002/PP-003, *Officer General Specification* (Ottawa: DND Canada, 2013), Foreword.

²⁷ *Ibid.*, 2-1.

²⁸ *Ibid.*, 2-1.

From that list of five main responsibilities, the key inferences are the importance of leadership, operations, staff officers and resource managers, CAF's values and representing both Canada and the CAF. In order to execute these responsibilities effectively, the OGS provides a framework. In this framework, all officers are to 1) apply the fundamentals of officership, 2) develop competencies commensurate with their rank level, and 3) perform tasks and duties in accordance with prescribed standards.²⁹ For the topic at hand and because performance is not being analyzed in depth in this paper, this Chapter will only focus on the first two elements of this framework and the environmental requirements for the professional development of military officers.

FUNDAMENTALS OF OFFICERSHIP

The fundamentals of officership highlight the importance of leadership but also introduce the notion of the Profession of Arms. Moreover, it recognizes the importance of environment affiliation. Consequently, all military officers are members of the Profession of Arms and must train and act accordingly. They must be leaders and have loyalty to their environment. The fundamentals of officership are presented in details in Table 3 below:

Table 3: fundamentals of Officership

Fundamentals of officership³⁰
1. Profession of Arms
• Identity
• Responsibility
• Expertise
• Military Ethos
2. Leadership
3. Environment Affiliation

²⁹ Department of National Defence, *Officer General Specification* ..., 2-1.

³⁰ *Ibid.*, 2-1.

→ Implication: like all other military officers, military finance officers must:

- Adhere to the Profession of Arms requirements laid out in the doctrine “Duty with Honour: The Profession of Arms in Canada”;
- Be an effective leader: “direct, motivate and enable others to accomplish the mission professionally and ethically, while developing or improving capabilities that contribute to success”³¹; and
- Be an ambassador of the environment and possessing a basic understanding of the culture, traditions, values and history of that environment.³²

DEVELOPMENT OF COMPETENCIES

For the development of competencies of a military officer, the OGS is divided into two themes; *professional development* and *leadership development*. The *professional development* of officers is supported by the Canadian Forces Professional Development System (CFPDS) and is based on four pillars (training, education, self-development and work experience).³³ It is a sequential process of continuing learning defined by five Developmental Periods (DP). For the purpose of this paper, only the objectives related to DP 3, DP 4 and DP 5 are presented in Table 4 below:

Table 4: Description of Development Periods 3 to 5

DP	Rank	Objectives ³⁴
DP 3	Maj/LCol	To prepare senior officers for continued effective service in their current

³¹ Department of National Defence, A-PA-005-000/AP-004, *Leadership in the Canadian Forces: Conceptual Foundations* (Ottawa: DND Canada, 2005), 30.

³² Department of National Defence, *Officer General Specification ...*, 2-3.

³³ *Ibid.*, 2-6.

³⁴ *Ibid.*, 2A-1.

		and higher ranks. To prepare for employment as a unit commander, in command, and staff duties at the headquarters level and in defence resource management duties. The focus is on joint, combined and interagency operations at the tactical and operational levels . Developmental efforts will be undertaken with officers from other environments and from other countries to prepare for joint exercises and operations, for staff assignments, and for foreign exchange assignments. Command and control issues will be studied at the operational level of war. The extent of developmental efforts during this stage should be commensurate with the officer's potential for advancement. An officer progresses to DP 4 upon promotion to Col/Capt(N). Complete Joint Command and Staff Programme (JCSP)
DP 4	Col	To prepare senior officers for employment as strategic level leaders , operational-level joint task force commanders, and General/Flag staff officers. This DP is characterized by its focus on the national and international environment , decision making within states and their civil-military interface . It includes the study of strategic leadership and the management of resources at the national level. It examines issues regarding the design, direction, and conduct of security operations, ranging from domestic security response to military operations in a war zone. The extent of developmental efforts during this stage should be commensurate with the officer's potential for advancement. An officer progresses to DP 5 upon promotion to BGen/Cmdre. Complete National Security Programme (NSP)
DP 5	General	To prepare for the highest levels of command and staff employment within the CAF, including formation commander and defence executive. To prepare officers for institutional command, leadership, and management responsibilities .

To fulfill the Profession of Arms' requirements, military officers have to complete DP 3 to DP 5 while going up in rank. More details on specific requirements in various duty areas are available in Annex C of Chapter 2 of the OGS under performance requirement but will not be analyzed due to the scope of this research. Generic conclusions can be drawn from the objectives described in DP 3 to DP 5 and are identified below.

➔ Implication: like all other military officers, military finance officers need to complete the following:

- Common courses such as JCSP (DP 3) and NSP (DP 4) or their equivalent in other countries;
- Be employed as commanders and staff officers focusing on joint, combined and interagency at the rank of Maj/LCol at the tactical and operational levels (DP 3);
- Be employed as commanders and staff officers focusing on national and international environment at the rank of Col at the strategic level (DP 4).

For the *leadership development*, the OGS presents a framework, which includes five meta-competencies (expertise, cognitive capacities, social capacities, change capacities and professional ideology). The description of each meta-competency is presented in Table 5 below:

Table 5: Description of the Five Meta-Competencies

Meta-Competency	Description³⁵
Expertise	Officers must become experts in their own field, employment area, operational environment , and, ultimately, within the joint environment . They must become more proficient through various employment opportunities and through the practice and eventual stewardship of the profession of arms, with the capacity to represent and transform the system through application of their expertise at the strategic and institutional levels, with an understanding of the military and organizational environments.
Cognitive Capacities	Officers must use their cognitive capacities to both solve problems and to support and improve individual and organizational performance . Cognitive capacities consist of: a problem-solving, critical, analytic, “left-brain” competence to think and rationalize with mental discipline in order to draw strong conclusions and make good decisions; plus an innovative, strategic, conceptually creative, “right brain” capacity to “think outside the box” to develop novel means and previously undiscovered solutions to issues and problems.
Social Capacities	Officers must utilize their social capacities to influence their subordinates, peers, and superiors . Social capacities consist of a sincere and meaningful

³⁵ Department of National Defence, *Officer General Specification...*, 2B-1.

Meta-Competency	Description ³⁵
	behavioral flexibility to relate to others with authenticity, combined with communications skills that clarify understanding, resolve conflicts, and bridge differences. These capacities are blended with interpersonal proficiency of clarity and persuasiveness, team relationships that create coordination, cohesion, trust and commitment, and partnering capabilities for strategic relations building.
Change Capacities	Officers must possess a capacity for change . Change capacities involve self-development and group-directed efforts to ensure unit improvement and group transformation, all with an understanding of the qualities of a CF-wide learning organization, applications of a learning organization philosophy, and the capacity of strategic knowledge management.
Professional Ideology	Officers must adopt and practice a shared professional ideology . Professional ideology consists of an acute awareness of the unique, theory-based, discretionary body of knowledge at the core of the profession with an internalized ethos whose values and beliefs guide the application of that knowledge. The discretionary nature of military knowledge requires keen judgment in its use and involves moral reasoning in thinking and acting, shaped by the military ethos . Professional ideology underpins a leader exemplar with credibility/impact , which, combined with character, openness, assertiveness and extroversion, ensures the necessary effect.

It is expected that military officers will develop each meta-competency as their career progress and they go up in rank. The transition, change and evolution of the leadership requirement are defined by the leadership development framework (LDF), which is presented in Table 6 below.³⁶ As an example, an officer, going up in rank through DP 1 to DP 5, is expected to gain expertise starting at the tactical level and progress to the strategic level. According to this framework, military officers have to transition towards strategic expertise, creative and abstractive cognitive capacities, inter-institutional social capacities, paradigm shifting change capacities and stewardship of the professional ideology.

³⁶ Department of National Defence, *Officer General Specification...*, 2-7.

Table 6: Leadership Development Framework³⁷

	Expertise	Cognitive Capacities	Social Capacities	Change Capacities	Professional Ideology
DP 5	Strategic	Creative Abstract	Inter- Institutional	Paradigm Shifting	Stewardship
DP 4	↑	↑	↑	↑	↑
DP 3					
DP 2					
DP 1					

→ Implication: like all other military officers, military finance officers need to progress and transition for each of the five meta-competencies.

ENVIRONMENTAL REQUIREMENTS

In addition to the common professional development described previously, military officers have to fulfill their unique environmental requirements. Because military finance officers are represented in the three environments, those requirements vary. The intent is not to present those requirements in detail but to acknowledge them as part of the professional development of all military officers. The OGS states that it is “in the early stage of an officer’s career that entails becoming proficient at their duties within their occupation and environment”.³⁸ Most of those requirements translate themselves into courses that have to take place between DP 1 and DP 3, depending on the environment.

³⁷ Department of National Defence, *Officer General Specification ...*, 2-7.

³⁸ *Ibid.*, 1-3.

→ Implication: like all other military officers, military finance officers need to fulfill their respective environmental requirements while progressing through the ranks, mainly at the early stage of their career.

CONCLUSION

From the common and generic military officer's perspective of the OGS, military finance officers, like any other military officers, have to fulfill five main responsibilities focusing on leadership. To execute and fulfill these responsibilities, they are provided with a framework where they need to apply the fundamentals of officership, develop competencies at each rank level and perform tasks and duties in accordance with prescribed standards. Consequently, military finance officers are expected to follow the same requirements stated in the OGS. Table 7 below provides a summary of all essential requirements listed throughout this Chapter as part as the professional development of military officers:

Table 7: Summary of essential Requirements from the OGS

Requirements	Description
Apply the fundamentals of Officership	<ul style="list-style-type: none"> • Adhere to the Profession of Arms; • Be an effective leader; and • Be an ambassador of the environment and possessing a basic understanding of the culture, traditions, values and history of that environment.³⁹
Fulfill the requirement to complete DP3 to DP 4	<ul style="list-style-type: none"> • Complete common courses such as JCSP (DP 3) and NSP (DP 4) or their equivalent; • Be employed as commanders <u>and</u> staff officers focusing on joint, combined and interagency at the rank of Maj/LCol at the tactical and operational levels (DP 3); and • Be employed as commanders <u>and</u> staff officers focusing on national and international environment at the rank of Col at the strategic level (DP 4).

³⁹ Department of National Defence, *Officer General Specification ...*, 2-3.

Transition of the five meta-competencies to higher and more strategic level	<ul style="list-style-type: none"> • Tactical to strategic expertise; • Analytical to creative abstract cognitive capabilities; • Inter-personal to inert-institutional social capabilities; • Open to paradigm shifting change capabilities; and • Internalized to stewardship of the profession ideology.
Fulfill the environmental requirements	<ul style="list-style-type: none"> • Different for each environment but mainly done at the early stage of the career through formal courses.

It should be noted that the OGS describes other common requirements related to bilingualism and fitness, which are not directly related to the focus of this paper and; therefore, have not been included.

The essential requirements stated in the OGS are only the first group of the professional development from the *military perspective* for military finance officers. The second group is related to the responsibility of fulfilling essential occupational requirements as logistics officers. The following Chapter will examine the requirements described in the Job Based Occupational Specification (JBOS) for Logistics as the second group of the *military perspective*.

CHAPTER 3 – PROFESSIONAL DEVELOPMENT OF LOGISTICS OFFICERS

INTRODUCTION

In addition to the OGS, military finance officers also have the task of fulfilling the common occupational requirements described in the Job Based Occupational Specification (JBOS) for Logistics. The JBOS for Logistics describes logistics job requirements for the Special Force (Mobilization), Primary Reserve (P Res) and Regular Force (Reg F).⁴⁰ Consequently, they are considered the foundation for logistics officers in each of these three components. On one hand, in the Reg F and P Res, logistics has one occupation: Logistics Officer. On the other hand, in the Special Force (Mobilization), logistics has eight occupations where one is Logistics Officer Financial Management. Therefore, it is only under the Special Force (Mobilization) that the logistics recognize finance as an occupation on its own. Because this component does not reflect the current structure of the CAF, the Reg F component will be used for this paper. Within that single logistics occupation, there are the following three sub-occupations: Logistics Officer – Sea, Logistics Officer - Land and Logistics Officer – Air. Ultimately, logisticians have to acquire common functional competencies of logistics but also have to learn to provide logistics support to a specific environment. The following paragraphs will look at the common logistic job requirements, the officer development, the occupational jobs and the occupational specialty specification listed in the JBOS for Logistics.

OCCUPATIONAL JOB REQUIREMENTS

The JBOS for Logistics have four common requirements for which finance officers must fulfill. Aligned with a “generalist” concept, the first common requirement is *Comprehension and*

⁴⁰ Department of National Defence, A-PD-055-002/PP-001 MOSID 00328, *Job Based Occupational Specification for Logistics* (Ottawa: DND Canada, 2010), 1-1.

Judgment which states that “LOG must possess a comprehensive knowledge of their sub-occupation [Sea, Land or Air] and a general knowledge of all CAF Logistics policies and systems”.⁴¹ The second requirement addresses *Occupational Training and Experience* through initial qualifications at the Basic level, which are acquired during Development Period (DP) 1 and with the Advance Logistic Officer’s Course (ALOC) to be completed during DP 3. The third requirement focuses on *Responsibility*. Responsibility related to *Resources* which “includes the management of finances, equipment, facilities and personnel that support Sea, Land and Air Forces”.⁴² As well, responsibility related to *Services*, which “includes the Supply Chain Management, Transportation, Human Resources Management, Financial Management and Food Services”.⁴³ Those services are, in fact, the same categories of specific occupations stated under the Special Force (Mobilization) component. From an occupation on its own under the Special Force (Mobilization) component, each service is relegated to a responsibility for logistics to provide specific services under the Reg F and the P Res components. Finally, the fourth requirement is *Consequence of Error*, which highlights that “errors in procedures or judgment in the operation of logistics facilities or provision of logistics support could result in reduced operational capability, waste of public resources, loss of material, injury or death”.⁴⁴ The JBOS for Logistics describe working conditions and special requirements on medical standards, language, security clearance and minimum entry requirements. However, due to the scope of this paper, they will not be presented in this document but can be consulted as part of the JBOS for Logistics.

⁴¹ Department of National Defence, *Job Based Occupational...*, 1-3.

⁴² *Ibid.*, 1-4.

⁴³ *Ibid.*, 1-4.

⁴⁴ *Ibid.*, 1-4.

OFFICER DEVELOPMENT

The professional development of logistics officers follows the same Canadian Forces Professional Development System (CFPDS) presented in Chapter 2 under the OGS with development periods from DP 1 to DP 4. Table 8 below presents the description of DP 3 and DP 4 stated in the JBOS for Logistics, which will be analyzed in conjunction with the objectives listed in the OGS.

Table 8: description of Development Periods 3 and 4 for Logistics

DP	Rank	Objectives ⁴⁵
DP 3	Maj/LCol	To prepare senior officers for continued effective service in their current and higher ranks and to prepare for employment as a unit commander, in command, and staff duties at the headquarters level and in defence resource management duties. The focus is on joint, combined and interagency operations at the tactical and operational levels of war .
DP 4	Col	To prepare for the highest levels of Command and staff employment within the CAF including Formation Commander. An Officer enters the fourth DP upon promotion to Col. This DP is characterized by its focus on strategic and policy issues, concentrating on security studies and command and control issues at the Strategic level of war.

When comparing the descriptions and the objectives related to DP 3 and DP 4, four main conclusions can be deducted. First, the DP 3 description from the JBOS for Logistics is exactly the same three sentences of the description in the OGS; suggesting alignment at the Maj/LCol level. Second, the first sentence of the DP 4 description from the JBOS for Logistics has some similarity with the first sentence of the OGS DP 5; suggesting the requirement to prepare for highest level of Command and staff within the CAF one rank earlier. Third, the DP 4 description

⁴⁵ Department of National Defence, *Job Based Occupational ...*, 2-1.

from the JBOS for Logistics does not make reference to the requirement to prepare for employment as defence executive or institutional leader outside of the CAF, it does not make reference to the preparation for employment as Strategic level leaders nor mention the focus on civil-military relations; suggesting the absence of requirement for logisticians to be employed as strategic/institutional leader within DND. Finally, the DP 4 description from the JBOS for Logistics focus on security issues and command and control omitting the study of strategic leadership and the management of resources at the national level stated in the description of DP 4 in the OGS. This suggests the absence of the need for logistics officers to be involved in the management of resource at the institutional level.

➔ Implication: like all other logistics officers, military finance officers need to adhere to the following framework:

- Be a “generalist” by having a comprehensive knowledge of their sub-occupation (Sea, Land or Air) and a general knowledge of all CAF Logistics policies and systems;
- Complete occupational common training during DP 1 and DP 3;
- Be responsible of resources and logistic services;
- Be aware of consequence of errors; and
- Focus on employment within the CAF and concentrating on security studies and command and control.

OCCUPATIONAL JOBS

As defined in the JBOS for Logistics, “occupational jobs provide the overall competency foundation for an occupation and a framework for member career management”.⁴⁶ It is not the intent to analyze all the occupational jobs listed in the JBOS for Logistics, but it is important to note that in the 12 occupational jobs listed, no reference is made to a Comptroller job. In fact, it is included in the first generic occupational job listed – Logistic Officer (LOG O), where it states that a LOG O is “responsible for administering, managing and accounting material, food services, public/non-public funds and human resources in support of a unit”.⁴⁷ Moreover, it should be noted that the five services referred to earlier under *responsibility related to services* are listed as well as Primary Logistic Functions (PLF). PLF are functional jobs performed in the second and third DPs through Occupational Specialty Specification (OSS) training.⁴⁸ It is through OSS that military finance officers get their finance training and specialty, which will be presented in the next section. In addition to formal occupational training described earlier, “progression through key jobs recommended by the Branch ensures necessary development in the Component [Reg F], and optimizes potential to serve in higher rank”.⁴⁹ For each Component and sub-occupation, the JBOS for Logistics presents tables with employment requirements. These employment requirements are separated into occupational, training and staff positions. They are very generic and make reference to the occupational jobs described earlier. For military finance officers, it translates as LOG O or staff positions through DP 2 and DP 3 and staff

⁴⁶ Department of National Defence, *Job Based Occupational...*, 2-1.

⁴⁷ Department of National Defence, *Job Based Occupational...*, 2-2.

⁴⁸ *Ibid.*, 2-2.

⁴⁹ *Ibid.*, 2-7.

positions in NDHQ and formation for DP 4; hence, providing no specific direction on employment requirement from a finance perspective.

➔ Implication: like all other logistics officers, it is expected that military finance officers take on occupational, training and staff positions throughout their career, where there is no mention of specific finance employment requirements or Comptroller positions made.

OCCUPATIONAL SPECIALTY SPECIFICATIONS

In the CAF occupational training system, there are two important finance qualifications. First, Specialty Specification (SS) AIHM – Financial Management, is acquired through 15 training days⁵⁰ and “enables personnel to manage financial resources within DND.”⁵¹ Second, SS AIHS – Pay Accounting Officer, is acquired through 16 training days⁵² and “enables personnel to provide financial services to members of the CAF.”⁵³

➔ Implication: to be considered as a military finance officer within the CAF, the training requirements are focused on acquiring the SS AIHM and SS AIHS qualifications.

In addition, professional accounting designation qualifications can be sought through training provided by specific accounting governing bodies in Canada where upon graduation, military finance officers can be granted SS AICN, “which enables personnel to provide managerial accounting and financial management advice as a Certified Management Accountant

⁵⁰ Department of National Defence, “Financial Management Course,” last accessed 28 April 2014, <http://borden.mil.ca/26/26.aspx>.

⁵¹ Department of National Defence, A-PD-055-003/PQ-001 SS AIHM, *Logistics – Financial Management* (Ottawa: DND Canada, 2009), 1.

⁵² Department of National Defence, “Pay Accounting Course,” last accessed 28 April 2014, <http://borden.mil.ca/26/27.aspx>.

⁵³ Department of National Defence, A-PD-055-003/PQ-001 SS AIHS, *Pay Accounting Officer* (Ottawa: DND Canada, 2009), 1.

(CMA)⁵⁴, or SS AEBV, “which enable personnel to perform recognized necessary management accounting duties”⁵⁵ In the CAF, the requirement to possess an accounting designation is currently only mandatory for the position of DCFO at the rank of MGen. Such program is not offered by DND and requires commitment for part-time study from any military finance officer that wishes to pursue this avenue or want to aspire to become DCFO.

➔ Implication: to be able to succession manage the DCFO position, candidates must acquire an accounting designation outside of the current training system.

CONCLUSION

Military finance officers must fulfill the common occupational requirements described in the JBOS for Logistics. In the Reg F component, basic occupational qualification is acquired early in the career during DP 1. The JBOS for Logistics recommend a career path where logisticians “will normally be posted to an operational unit within their environment to reinforce initial occupational training and to develop essential environmental skills.”⁵⁶ For Air and Land logistic officers, it is stated that their career “begin normally with employment in a junior supply chain management position at an Air Wing and as a Platoon Commander within a Combat Service Support unit respectively”.⁵⁷ Thereafter, Air and Land logistic officers can focus their career pattern in any of the five PLF. It is only at that time that future military finance officer in the Air and Land environment, at the rank of Capt and during DP 2, can aspire to acquiring the

⁵⁴ Department of National Defence, A-PD-055-003/PQ-001 SS AICN, *Certified management Accountant* (Ottawa: DND Canada, 2009), 1.

⁵⁵ Department of National Defence, A-PD-055-003/PQ-001 SS AEBV, *Professional Accounting Program* (Ottawa: DND Canada, 2009), 1.

⁵⁶ Department of National Defence, *Job Based Occupational...*, 2-19.

⁵⁷ *Ibid.*, 2-20.

finance specialty. The JBOS for Logistics also recommends acquiring a second PLF in the same DP. To provide a synthesis of the requirements listed throughout this section, a summary is presented in Table 9 below:

Table 9: Summary of Essential Requirements from the JBOS for Logistics

Requirements	Description⁵⁸
Comprehension and Judgment	LOG must possess a comprehensive knowledge of their sub-occupation (Sea, Land or Air) and a general knowledge of all CAF logistics policies and systems.
Occupational Training and Experience	Complete occupational common training during DP 1 and DP 3.
Responsibility	<u>Resources</u> : This includes the management of finance, equipment, facilities and personnel that support Sea, Land and Air Forces; and <u>Services</u> : This includes the Supply Chain Management, Transportation, Human Resources Management, Financial Management and Food Services support.
Be aware of consequence of errors	Errors in procedure or judgment in the operation of logistics facilities or provision of logistics support could result in reduced operational capability, waste of public resources, loss of material, injury or death.
Employment	<ul style="list-style-type: none"> • Focus within the CAF in Command and Staff positions; • Fulfill occupational, training and staff jobs; and • Concentrate on security studies and command and control.
Finance training	<ul style="list-style-type: none"> • Acquire the SS AIHM qualification; • Acquire the SS AIHS qualification; and • Complete a professional accounting designation outside of the current training system.

The essential requirements stated in the JBOS for Logistics correspond to the second group of the professional development from the *military perspective*. The third group of the

⁵⁸ Department of National Defence, *Job Based Occupational...*, 1-3.

military perspective is the requirements linked to the roles and responsibilities of Comptrollers.

The following Chapter will define those essential requirements described in Treasury Board (TB)

Policies, TB Guidance and finally, departmental references.

**CHAPTER 4 – ROLES, RESPONSIBILITIES AND REQUIREMENTS OF MILITARY
FINANCE OFFICERS**

INTRODUCTION

As demonstrated in Chapter 1, financial accountabilities in DND rest primarily with the DM. Supporting the DM in his or her function is the CFO, a key executive staff ensuring the existence of a strong financial management governance framework. Specific to DND, the financial community supporting the CFO and the financial management governance framework includes civilian financial officers (FI) from the Public Services (PS) and military finance officers from the Canadian Armed Forces (CAF). In this Chapter, the focus will be on the financial responsibilities of military finance officers. Based on the size of DND with expenditure authority over the threshold of \$1 billion set by Treasury Board Secretariat (TBS), it is expected by both TBS and the Office of the Comptroller General of Canada (OCG) that the CFO will designate a Deputy CFO (DCFO).⁵⁹ In DND, the DCFO has been, most of the time, a military finance officer filling the position of Director General Financial Management (DG Fin Mgmt). That position has been held throughout the years at the rank of Major General (MGen) and Brigadier-General (BGen). It is currently ranked as a MGen position. The DCFO, being the highest ranked military finance officer, is also the Comptroller of the CAF. Consequently, the MGen being the DCFO of the department is responsive to the CFO and being the Comptroller of the CAF, is responsive to the CDS. This specific military finance position is currently the only General Officer position especially attributed to the logistic occupation because of the financial expertise requirement. As the ultimate and sole strategic/institutional position filled by a military finance officer, roles, responsibilities and requirements related to that position have to be considered in the professional development of military finance officers in order to succession

⁵⁹ Treasury Board of Canada Secretariat, "Guideline on Chief of Financial Officer Qualifications," last accessed 26 April 2014, <https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=14104§ion=text>.

plan accordingly. Considering the TBS Guideline on CFO Qualifications which states that, “CFO and DCFO should have an appropriate combination of education, professional qualifications, experience, and competencies to fulfill their duties”⁶⁰, the CFO’s qualifications, responsibilities and roles listed in governmental policies and guides are the foundation to determine financial requirements. Accordingly, the following sections will summarize the CFO responsibilities presented in Chapter 1, present the CFO Competency Model which is an initiative led by the OCG, introduce the TBS Guideline on the CFO qualifications and finally, refer to the departmental direction on the Statement on the Practice of Comptrollership that provides specific financial responsibilities and requirements for Comptrollers at all levels in DND and the CAF.

CFO’S RESPONSIBILITIES

As presented in Table 1 of Chapter 1, the governmental “Framework” on financial management lists 15 responsibilities for departmental CFOs. From those responsibilities, the following overarching requirements are considered:

- Require knowledge of the DM’s environment;
- Require knowledge of DND’s overall environment and processes, not only the CAF aspect;
- Require knowledge and expertise of all financial processes with Central Agencies in order to apply the challenge function and sign off ministerial document such as Memorandum of Cabinet and Treasury Board Submissions; and
- Be a strategic advisor on every aspect of DND’s business.

⁶⁰ Treasury Board of Canada Secretariat, “Guideline on Chief of Financial Officer Qualifications,” last accessed 26 April 2014, <https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=14104§ion=text>.

CFO COMPETENCY MODEL

The TBS' Report on the State of Comptrollership in the Government of Canada in 2012 presented the initiative led by the OCG on the Proposed CFO Competency Model. This model is an adaptation from the model that was developed by the Institute of Chartered Accountants of Ontario and The Monieson Centre at Queen's University for the private sector and introduces the four CFO roles.⁶¹ The first role, the *Steward Role*, focuses on financial resource management, controls and accounting and reporting.⁶² The second role, the *Operator Role*, focuses on the finance function. The third role, the *Catalyst Role*, focuses on the entire organization. The last role, the *Strategist Role*, focuses on long-term strategic issue. The details of each role are presented in Table 10 below:

Table 10: CFO's Roles

Roles	Description ⁶³
Steward Role	<p>Oriented toward robust resource management, control rationalization and financial information quality:</p> <ul style="list-style-type: none"> • Budgeting and forecasting • Resource supply (Estimates) • Expenditure management • Cash management • Financial analysis and advice • Investment proposal and challenge • Costing, pricing and cost-benefit analysis • Preparation of TB submissions and memoranda to Cabinet • Financial management control frameworks (including

⁶¹ Treasury Board of Canada Secretariat, "Report on the State of Comptrollership in the Government of Canada," last accessed 15 April 2014, <http://www.tbs-sct.gc.ca/fm-gf/reports-rapports/rsc-rfc/2012/rsc-rfcsb-eng.pdf>.

⁶² *Ibid.*

⁶³ *Ibid.*

	<p>processes and internal controls over financial reporting)</p> <ul style="list-style-type: none"> • Internal audit • Fraud prevention and detection • Financial accounting principles and standards (Generally Accepted Accounting Principles and TB Accounting Standards) • Performance measurement processes and methods • Internal financial monitoring and reporting • Financial statement preparation and analysis • Statutory reporting (Reports on Plans and Priorities, Departmental Performance Reports, proactive disclosure)
Operator Role	<p>Oriented toward best practices of the entire finance function itself:</p> <ul style="list-style-type: none"> • Accounting operations • Revenue management • Grants and contributions management • Procurement management • Asset management (real property, investments, etc.) • People management
Catalyst Role	<p>Oriented toward best practices of the entire organization:</p> <ul style="list-style-type: none"> • Financial systems development and implementation • Continuous improvement processes and methods • Change management • Relationship and collaboration with internal and external stakeholders and central agencies • Communication and presentation skills and executive presence
Strategist Role	<p>Oriented towards long-term, strategic issues and is outwardly directed:</p> <ul style="list-style-type: none"> • Corporate governance • Corporate goal setting and visioning • Strategic risk management (assessment and mitigation) • Financial information needs of decision makers • Critical thinking and analysis

From the list of requirements presented in Table 10 above, it is inferred that the first two roles (Steward and Operator) are more technical and tactical in finance operations while the last two

roles (Catalyst and Strategist) are more strategic/institutional in nature. Even if this initiative from the OCG is recent and will be further developed in the incoming years, it is an important step in trying to reconcile the CFO requirements between the private and public sectors. It provides a model to guide FI's in their professional development and could also provide a framework for military finance officers. These four roles have also been recently used in the "CFO Competency Map" article in the March 2014 edition of the Chartered Professional Accountants (CPA) Magazine⁶⁴, demonstrating interest in the entire spectrum of private and public sectors.

→ Implication: in aspiring to become DCFO, military finance officers will have to consider the four CFO roles and ensure they acquire the skills and competency listed in this model.

CFO'S QUALIFICATIONS

According to TBS Guideline on CFO qualifications, DND is considered a "Tier 1" department because of its size and expenditure authority surpassing \$1 billion.⁶⁵ At that level, because of importance in financial responsibilities, TBS has imposed conditions on qualifications of CFOs and DCFOs across all departments. For DND, as "Tier 1" department, the following conditions are listed⁶⁶:

1. In the appointment of CFOs and DCFOs, preference should be given to candidates with a professional accounting designation;

⁶⁴ Pamela R. Murphy and Yolande E. Chan, "The CFO Competency Map." CPA Magazine, March 2014, 39.

⁶⁵ Treasury Board of Canada Secretariat, "Guideline on Chief of Financial Officer Qualifications," last accessed 26 April 2014, <https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=14104§ion=text>.

⁶⁶ *Ibid.*

2. Between the CFO and DCFO, at least one has to have a professional accounting designation; and
3. If the DCFO does not have a designation, he or she should have a degree in an area relevant to financial management.

While the TBS Guidelines are just that; a guideline, it is important to consider the context in which it was written as well as all the governmental efforts over the last decade to increase financial accountability. The TBS Guideline states that “qualifications of CFOs are critical to the credibility and the perception of credibility, of financial management functions they lead.”⁶⁷ There is also external pressure from the Auditor General where, in 2011, noted in its report the progress made by various large departments where 82 percent of CFOs and DCFOs had a professional accounting designation in 2010 compared to 22 percent in 2002.⁶⁸ Furthermore, the Auditor General stated that “high level of professional qualification provides large departments with the skills and competencies to continue the work to fully meet the requirements of the financial management and control policies.”⁶⁹ Considering the current environment on financial management, it is less likely that obtaining a professional accounting designation will lose momentum in the near future. In fact, it could be argued that it has already become the norm, the minimum standard for CFOs and DCFOs across all departments. From a military perspective, the accounting designation of CMA is listed as a requirement only for the DG Fin Mgmt position (DCFO). As mentioned in Chapter 3, this qualification is to be acquired outside of the current training system at one point in the career of a military finance officer.

⁶⁷ Treasury Board of Canada Secretariat, “Guideline on Chief of Financial Officer Qualifications,” last accessed 26 April 2014, <https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=14104§ion=text>.

⁶⁸ Office of the Auditor General of Canada, “Status Report of the Auditor General of Canada,” last accessed 26 April 2014, http://www.oag-bvg.gc.ca/internet/docs/parl_oag_201106_01_e.pdf, 21.

⁶⁹ *Ibid.*

→ Implication: acquiring a professional accounting designation for military finance officers should be considered in their professional development if the CAF want to continue to be able to fill the DCFO position in the future.

COMPTROLLERS' ROLES

In addition to governmental policies, DND's CFO has set guidelines and direction defining the roles and responsibilities of Comptrollers. Unfortunately, this direction is dated and was written prior to the Management Accountability Framework (MAF), the Federal Accountability Act (FAA) and the Framework on Financial Management initiatives. In fact, the direction was given as part of the Modern Comptrollership Initiative (MCI) back in 2001 and is called the Statement on the Practice of Comptrollership. It provides overall direction to all resources managers and commanders but also highlights and specifies the roles and responsibilities of Comptrollers, at all levels. Even if this direction is dated, it was demonstrated in Chapter 1 that the MCI was one of the main initiatives that focused on increasing responsible spending, transparency and accountability, which is still relevant to date. Due to the fact that it is the best direction in writing available and relevant at the time of this research, it will be used to define today's roles and responsibilities of Comptrollers.

The comptrollership concept is how we conduct our business in a manner which is effective, efficient, economic, ethical and prudent.⁷⁰ While the comptrollership concept is for every resource manager and commander, Comptrollers have a significant role to play. In fact, this document states that "comptrollership is everyone's business but not everyone is a

⁷⁰ Department of National Defence, "Statement on the Practice of Comptrollership," last accessed 15 April 2014, http://admfines.mil.ca/comptsec/comptrollership/statement_e.asp.

Comptroller.”⁷¹ Therefore managers and commanders have every right to expect that Comptrollers will add value to the management team and provide them with “financial analysis, objective commentary and a challenge function to help them in the operationally driven processes of business planning, performance measurement and evaluation.”⁷² Starting with the DCFO, it is expected that the individual will “have a comprehensive knowledge of departmental operations and act as an essential source of valued direction, advice and information on effective planning, allocating and spending funds, and for the control and accountability for their use.”⁷³ Therefore, military finance officers have to be given the opportunity to broaden their knowledge external to the CAF in their professional development. Furthermore, the CFO expects Comptrollers at all levels to have “specialist financial skills and a wide ranging generalist knowledge of the department and the CAF’s activities.”⁷⁴ More specifically, it is expected that Comptrollers as financial specialist, be able to interpret financial statutes, regulations and policies and be competent in providing financial analysis which helps to ensure that resources can be used effectively, efficiently and appropriately.⁷⁵ As generalist, it is expected that they will understand the decision-making environment in order to provide independent and objective advice as well as being able to provide the challenge function. Table 11 below provides a detailed description of Comptrollers’ responsibilities listed in the Statement on the Practice of Comptrollership:

⁷¹ Department of National Defence, “Statement on the Practice of Comptrollership,” last accessed 15 April 2014, http://admfincs.mil.ca/comptsec/comptrollership/statement_e.asp.

⁷² *Ibid.*

⁷³ *Ibid.*

⁷⁴ *Ibid.*

⁷⁵ *Ibid.*

Table 11: Description of Comptrollers' Responsibilities

Comptrollers at all levels must⁷⁶:	
1. Act as specialist in financial processes by:	<ul style="list-style-type: none"> • Providing financial support to managers and commanders; and • Analyzing and interpret information taking into account relevant financial rules, risks and existing or imposed constraint;
2. Act as mentors and leaders in comptrollership practices and help managers and commanders to discharge their comptrollership responsibilities by:	<ul style="list-style-type: none"> • Ensuring that they understand the full financial implications of all decisions; • Assisting them with the translation of operational requirements into financial dollars; • Helping them to identify alternative courses of action and the impact of those alternatives on financial resources; and • Helping them to assess performance by relating operating results on the consumption of resources, matching costs to outputs, identifying and matching cost and activity drivers, comparing actual outputs and inputs to expected outputs and inputs, bench marking activities and identifying performance indicators and measures which indicate whether, and to what extent, an organizational entity is effective and efficient.
3. Act as independent advisors	<ul style="list-style-type: none"> • Comptrollers have a fiduciary obligation to ensure that resources are well managed. This aspect of Comptroller's mandate is not optional.

→ Implication: being a Comptroller adds another layer of specific financial skills, knowledge and requirements that have to be considered. Consequently, military finance officers are expected to fulfill the following:

- Acquire a comprehensive knowledge of departmental operations;
- Be a specialist of departmental financial processes;
- Have leadership and social and communication skills to be able to influence managers and commanders which are, most of the time, at least one rank higher; and

⁷⁶ Department of National Defence, "Statement on the Practice of Comptrollership," last accessed 15 April 2014, http://admfincs.mil.ca/comptsec/comptrollership/statement_e.asp.

- Have the leadership to remain an independent advisor with very high ethical standard to fulfill the not optional fiduciary obligation.

CONCLUSION

Over the last decade, the roles and responsibilities of the CFO, DCFO and Comptrollers have evolved significantly due to various governmental initiatives and policies. It is important to note that requirements are focused on a specialized and professional workforce. For military finance officers, it adds a level of expertise and expectations with regards to their individual skills, knowledge and competencies in order to fulfill the responsibilities described in the governmental policies and departmental direction. To provide a synthesis of the requirements listed throughout this Chapter, a summary is presented in Table 12 below:

Table 12: Summary of Essential Requirements from a Finance Perspective

Requirements	Description
Be able to fulfill CFO's Responsibilities	<ul style="list-style-type: none"> • Require knowledge of the DM's environment; • Require knowledge of DND's overall environment and processes, not only the CAF aspect; • Require knowledge and expertise of all financial processes with Central Agencies in order to apply the challenge function and sign off ministerial document such as Memorandum of Cabinet and Treasury Board Submissions; and • Be a strategic advisor on every aspect of DND's business.
Be able to fulfill the four CFO Roles	<ul style="list-style-type: none"> • Steward Role; • Operator Role; • Catalyst Role; and • Strategist Role.
CFO/DCFO Qualification	<ul style="list-style-type: none"> • Acquire a professional accounting designation.
Be able to fulfill Comptrollers' responsibilities	<ul style="list-style-type: none"> • Acquire a comprehensive knowledge of departmental operations; • Be a specialist of departmental financial processes; • Have leadership and social and communication skills to be able to influence managers and commanders which are, most

	of the time, at least one rank higher; and <ul style="list-style-type: none">• Have the leadership to remain an independent advisor with very high ethical standard to fulfill the not optional fiduciary obligation.
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These essential financial requirements are very specific and it appears that, while some are aligned with the other two groups of the *military perspective* described in the OGS and the JBOS for Logistics, others are in conflict. The next Chapter will regroup and analyze all essential requirements from the *military perspective* presented in Chapter 2, 3 and 4.

**CHAPTER 5 – ALIGNED AND CONFLICTING REQUIREMENTS FROM A
MILITARY PERSPECTIVE**

INTRODUCTION

From the three groups of the *military perspective*, a significant amount of essential requirements were listed in previous Chapters. It is expected that a military finance officer fulfill all requirements of being a military officer, a logistics officer and a finance officer. When we amalgamate the essential requirements of these three groups, it creates a spectrum that covers a significant amount of skills, knowledge and competencies that need to be acquired throughout the professional development (PD) of a military finance officer. Together, the essential requirements from the three groups can either be aligned or be in conflict. In the following two sections, both categories will be presented.

ALIGNED ESSENTIAL REQUIREMENTS

First, as described in the OGS, the fundamental responsibility of an officer is to provide *leadership*. As military training and operations revolves around leadership, it provides excellent basis for logistics and finance officers to develop individual leadership abilities. As military finance officers are normally a rank lower than other key members of the management team or have to deal with non-military personnel, leadership skills are essential in order to have an impact and be able to influence senior leaders, colleagues and subordinates, military and civilians alike. Leadership is a common thread in every aspect of the *military perspective*. Training on leadership taken as a military officer, is transferrable to logistics and finance officers, creating synergy and economy of effort.

Second, in applying the fundamental of Officership, military finance officers have to adhere to the Profession of Arms. The critical role played by the military ethos in the Profession

of Arms is aligned with a very high ethical standard required in finance in order to fulfill the fiduciary obligation. Because financial rules and obligations are drawn from laws, it is aligned with the military ethos which “defines the subordination of the armed forces to civilian control and the rule of law”.⁷⁷

Finally, both the Officer General Specifications (OGS) and the Job-Based Occupational Specifications (JBOS) for Logistics put an emphasis on the importance of the environmental affiliation and the understanding of the culture, traditions, values and history of the environment. This allows logistics officers and military finance officers to be able to understand the environment and the business they are operating in. Understanding the organization and its operations is critical for a Comptroller in order to provide relevant advice. Moreover, military finance officers have the same development period (DP) requirements to fulfill for courses such as JCSP and NSP, environmental courses and ALOC for Logistics. It provides them with the same general knowledge of the CAF business provided to their peers from any other occupations, which give them military credibility to fulfill their advisory role.

CONFLICTING ESSENTIAL REQUIREMENTS

The first and main conflict of all essential requirements resides in the “generalist approach” stated in the JBOS for Logistics and the “specialist” financial requirements of being a Comptroller. The logistics occupation is seeking specialty training only on promotion to Capt where for military finance officers, Comptroller positions start at the rank of Capt, leaving no time for training nor to gain experience as a 2Lt and Lt in a finance environment. Moreover, the

⁷⁷ Department of National Defence, A-PA-005-000/AP-001, *Duty with Honour: The Profession of Arms in Canada* (Ottawa: DND Canada, 2009), 21.

logistics occupation focuses on general knowledge of all CAF logistics policies and system where we expect Comptrollers to be specialist of all governmental and departmental financial policies. While the logistics focus is internal to the CAF, Comptrollers have to acquire knowledge of the departmental and governmental processes. In addition, governmental policy dictates the requirement for the DCFO, to obtain a professional accounting designation and the logistics concentrate on security studies and command and control. Those conflicting requirements are presented in more detail in Table 13 below:

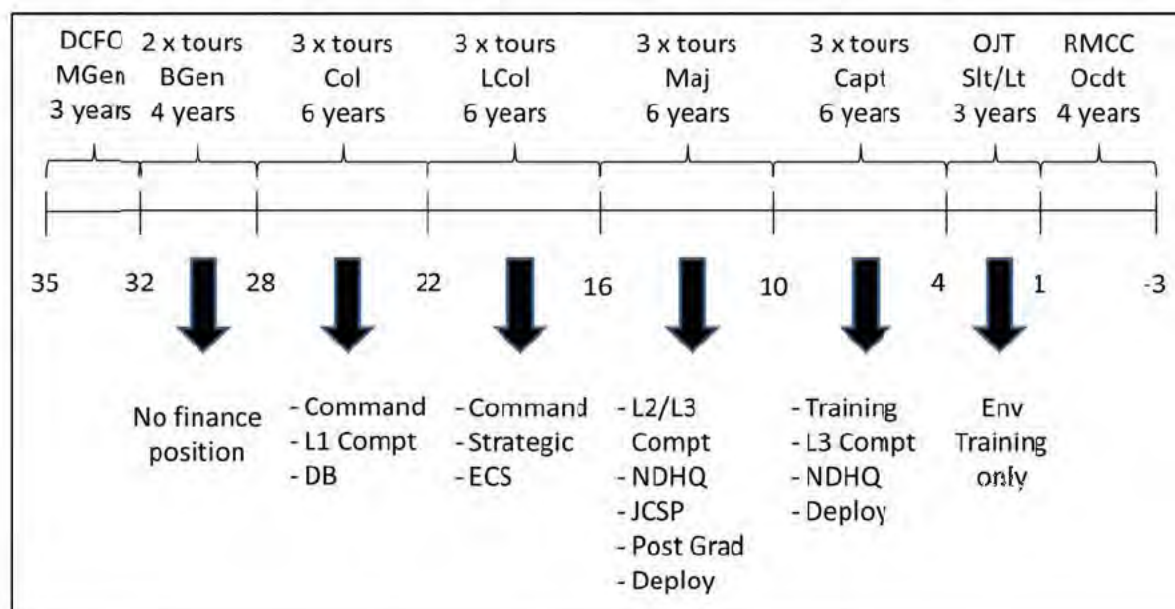
Table 13: Summary of conflicting requirements between Logistics and Finance

Logistics	Finance
<ul style="list-style-type: none"> • General knowledge of all CAF logistics policies and systems. 	<ul style="list-style-type: none"> • Be a financial specialist; • Specialist of departmental financial processes; and • Comprehensive knowledge of departmental operations;
<ul style="list-style-type: none"> • Concentrate on security studies and command and control 	<ul style="list-style-type: none"> • Acquire a professional accounting designation.
<ul style="list-style-type: none"> • Focus within the CAF in <u>Command and Staff</u> positions. 	<ul style="list-style-type: none"> • Be a strategic advisor on every aspect of DND's business; • Require knowledge and expertise of all financial process with Central agencies; and • Require knowledge of the DM's environment.
<ul style="list-style-type: none"> • Train in first specialty during DP 2 only (on promotion to Capt). 	<ul style="list-style-type: none"> • Financial responsibilities are for Comptrollers at all levels. Formation Comptrollers (level 3) positions are at the rank of Capt and Major.

This conflicting requirement between the JBOS for Logistics and the financial roles and responsibilities of Comptrollers is not simple to overcome. Not all logisticians are military finance officers and not all military finance officers will become, or are aspiring to become, the DCFO.

The second conflict resides in the amount of requirements. Can one person realistically fulfill all requirements in a 35 year career? From the simple reverse timeline developed and presented at Figure 1 below, it appears that compromises will be required in order to fulfill all requirements.

Figure 1: 35 Year – Reverse Timeline



This reverse timeline uses the minimum time required in order to fulfill essential requirements such as command and staff positions required from the OGS and JBOS at DP 3 and DP 4 level. It is not the minimum or maximum time in rank in order to get promoted, which for various reasons could be earlier or later. That being said, it provides a rough idea to confirm that an individual joining through the Royal Military College of Canada (RMCC) would be missing three years and that compromises will need to be done if that same person is being seen as the future DCFO. But what kind of compromise can be done? Which of the essential requirements are not essential? As military finance officers have to go outside of their specialty to fill command positions, which are required in both DP 3 and DP 4 according to the OGS, could this

be part of the compromise? With all the focus on the OGS and JBOS for Logistics at the tactical level during the first 15-19 years of an officer's career (from Figure 3 up to the rank of LCol), should a shift towards strategic finance occur at the rank of LCol for military finance officers?

The third and last conflict resides between the three groups where, at the DP 4 level, the objectives and timing are not aligned. On one side, the objectives are not aligned between the OGS and the JBOS for Logistics. In fact, the JBOS for Logistics does not mention the requirement to prepare logisticians for employment as strategic leaders nor does it mention the focus on the civilian-military interface; suggesting the absence of requirement for logisticians to be employed as strategic leaders within DND. One of the responsibilities of a Comptroller is to be a strategic advisor, which is aligned with the OGS but not its own occupation. On the other hand, while the OGS and finance are aligned on the requirement to prepare officers for employment as strategic leaders, the timing could be a concern. As officers enter DP 4 on promotion to Col, military finance officers at that level, are already in a strategic position as level 1 Comptrollers. It is important to note that Comptrollers answer to Commanders that are usually two or three ranks above them. Starting at the rank of LCol, military finance officers are filling strategic positions such as small level one Comptroller, large level one deputy Comptroller and staff officer. Therefore, while the OGS states that one of the objectives of DP 4 is to prepare officers for employment as strategic leaders, Comptrollers, at that rank, are already expected to perform this function. Should military finance officers be prepared for strategic employment before they are actually employed as strategic leaders?

CONCLUSION

As described in this Chapter, within the professional development of military finance officers, some essential job requirements are aligned while others are in direct conflict. Opportunities can be generated from the synergy of the aligned requirements such as leadership, ethics and the understanding of the operating environment. However, decisions with regards to professional development, career path and essential requirements to pursue will have to be made if expectations on Comptrollers do not change. To its core, the difference between the “generalist” approach of being a logistics officer compared to the requirement of being a financial specialist creates an imbalance. It creates confusion as to what is actually expected from an individual where its own occupation preaches one way but the actual job requirement dictates something else. Should that struggle and decision to specialize in finance be left to the individual as a personal choice or should the system adapt and provide a framework to set the conditions for success? The organization has a limited amount of years to prepare and develop talent and decisions have to be made as to what should be favored. Being senior and strategic advisor to their Commander is one of the essential role and responsibilities of level 1 Comptrollers. For small level one Comptrollers, military finance officers are filling these positions as LCol, two ranks earlier than what the OGS states. Should we train the individual prior or reduce expectations on what military finance officers can provide? Would reducing expectation create a second order of effect on the finance credibility of those military finance officers and their capability to fulfill those functions, risking that the CFO and the DM demand that civilians fill those positions? Is the CAF ready to accept that risk? Furthermore, when considering that promotion and succession management of military finance officers up to the rank of Col are driven by the logistics occupation, can we assume that the essential finance

requirements are currently considered in succession management? What is the impact of those conflicting requirements on succession management? What about the succession management after the rank of Col; is the institution making sure that essential finance requirements are met? Is the military system in a position to understand those requirements and take them into account in the succession management of that very specific MGen position of DCFO? Does the succession management at that level also reinforce the “generalist” approach? Considering that the RCAF Comptroller is currently from the CA and that no military MGen has been identified at the time of this research to replace the current DCFO in the incoming year, can we say the succession management of military finance officer at the strategic level has been effective and efficient?

Before addressing this series of questions, it is important to take into consideration the professional development and career path of the other important player of the finance community in DND, the civilian Financial Officers (FI). They are represented across all departments and are considered the primary pool for future CFOs. For this reason, the next Chapter will present the *civilian perspective* with the FI to CFO career path model used in the Public Service to generate skilled and capable FIs. Furthermore, it will compare their professional development framework with the *military perspective* for military finance officers.

CHAPTER 6 – FINANCIAL OFFICERS IN THE PUBLIC SERVICE

INTRODUCTION

In the Public Service (PS), the official classification for Financial Officers is called FI. As per Treasury Board Secretariat (TBS)'s website on classification, the "financial management group comprises positions that are primarily involved in the planning, development, analysis, delivery or management of internal Public Service financial policies, programs, services or other related activities".⁷⁸ FIs are filling various finance positions across all departments and are the equivalent, from a finance perspective, to the military finance officers in the Canadian Armed Forces (CAF). FIs are potential subordinates, colleagues and supervisors internal to the Department of National Defence (DND) but they also are potential key players in central agencies. Even if FIs and military finance officers have different professional development (PD) frameworks, they have the same financial responsibilities to the Deputy Minister (DM) and the Chief Financial Officer (CFO). They have to provide assurance and trust that a strong finance community (civilian and military) supports the departmental financial management governance framework. In order to do so, they should have the same level of education, experience and competencies, but do they? This Chapter will identify similarities and gaps between two PD frameworks. This will be accomplished by presenting the FI to CFO career path currently used in the PS to generate skilled and capable FIs and secondly, by comparing its requirements with the military finance officers' professional development. Therefore, the first section will present the foundational requirements, diversity of experience and competencies, which are the three categories of requirements for FIs. The second section will use these three categories as the basis for the comparison with the various military requirements described in the Officer General

⁷⁸ Treasury Board of Canada Secretariat, "Financial Administration Classification Standard," last accessed 3 April 2014, <http://www.tbs-sct.gc.ca/cla/def/FI-eng.asp>.

Specification (OGS) and the Job-Based Occupational Specification (JBOS) for Logistics. To provide a guideline for understanding and comparing both structures, Table 14 below presents the equivalency of the military rank for the PS structure:

Table 14: Public Service and Military Rank Structure Equivalency

Public Service	Military rank
FI-01	2Lt/Lt
FI-02	Capt
FI-03	Maj
FI-04	LCol
EX – Other	Col and BGen
EX – DCFO	MGen

FI TO CFO CAREER PATH

Introduction

In the past decade, the Government has put forward a series of initiatives to strengthen accountability and transparency of governmental operations. As described in Chapter 1, the four main ones of interest for this paper are the Modern Comptrollership Initiative (MCI) launched in 1998, the Management Accountability Framework (MAF) in 2003, the Federal Accountability Act approved in 2006 and the latest, the Policy Framework on Financial Management published in 2010. The latter presents roles and responsibilities of key players, including CFOs, but also regroups the legislation, regulations, policies, directives standards and guidelines related to financial management.

In order to be successful, those initiatives have to be supported by a strong, professional and skilled finance community across government. The Deputy CFO (DCFO) Council

recognized the importance of having a skilled and strong community in 2006 when they introduced the FI to CFO career path.⁷⁹ The FI to CFO career path is a guide and has the following two objectives:⁸⁰

- Identify the skills and competencies needed by a financial officer who aspires to become a CFO; and
- Serve as a guide for financial officers and leaders in planning their career.

In 2012, the FI to CFO career path model was revitalized to take into consideration the latest policies and will be used for this paper. The following sub-sections will present in detail each of the three parts of the model, which are 1) foundational requirements, 2) diversity of experience and 3) competencies.

Foundational Requirements

The foundational requirements include four criteria: years at level, education, professional accreditation and bilingual capacity.⁸¹ As presented in Figure 6 below, each of the criteria have specific qualifications that are needed for promotion to the next level.

⁷⁹ Treasury Board of Canada Secretariat, "FI to CFO Career Path," last accessed 3 April 2014, <http://www.tbs-sct.gc.ca/fm-gf/tools-outils/guides/ficfo-fidpf-eng.asp>.

⁸⁰ *Ibid.*

⁸¹ *Ibid.*

Figure 6: Foundational Requirements

Foundational Requirements	Qualifications Needed for Promotion – Level ¹						
	FI-01	FI-02	FI-03	FI-04 ²	EX – Other	EX – DCFO	EX – CFO
Years in level ³	2 years	3–5 years	3–5 years	4–5 years	4–5 years	3–4 years	3–4 years
Education (Undergraduate degree ⁴)	Desirable	Essential	Essential	Essential	Essential	Essential	Essential
Professional accreditation ⁵	Desirable ⁶	Desirable	Essential	Essential	Essential	Essential	Essential
Bilingual capacity ⁷	Desirable	Desirable	Desirable	Essential (CBC)	Essential (CBC)	Essential (CBC)	Essential (CBC)
<p>¹ These qualifications should be acquired at the level indicated prior to promotion to the next level.</p> <p>² In some small departments and agencies (SDA)s, FI-04s may hold the DCFO and/or CFO position and are subject to the same experience requirements as their EX counterparts.</p> <p>³ This represents the minimum length of time an incumbent should serve at a level in order to develop the necessary competencies for that level.</p> <p>⁴ The undergraduate degree should be in a field related to the financial management function (e.g., accounting, economics, commerce, business administration, finance).</p> <p>⁵ The financial officer must be a member in good standing of a Canadian professional accounting association.</p> <p>⁶ Financial officers at the FI-01 and FI-02 levels should be working toward a professional accreditation.</p> <p>⁷ Bilingual capacity refers to the use of both official languages (English and French) and is based on the requirements of the position. Positions that supervise staff require a minimum of B level proficiency in writing, comprehension and oral communication.</p>							

Source: Treasury Board of Canada Secretariat, “FI to CFO Career Path,” last accessed 3 April 2014, <http://www.tbs-sct.gc.ca/fm-gf/tools-outils/guides/ficfo-fidpf-eng.asp>.

→ Implications: the FI to CFO career path recommends that FIs:

- Acquire 16 to 22 years of experience in finance and executive management positions before fulfilling a DCFO position; and
- Starting at the FI-04 level (LCol), have an undergraduate degree, a professional accounting designation and have bilingual capacity of CBC.

Diversity of Experience

This criterion refers to functional experience as well as breadth of experience.⁸² On one hand, the functional experience “refers to technical experience in the given areas of financial and its importance to the development of future senior leaders”.⁸³ On the other hand, breadth of experience “refers to the work environment; the organization’s mandate; the complexity of the work; and different work perspectives such as program and corporate service delivery, regional operations and central agency roles.”⁸⁴ As demonstrated in Figure 7 below, FI-04 (LCol) is the level where expectations are increasing and where experience in financial planning, external reporting and internal resource management is essential qualifications. In addition, advisory services are considered desirable but become essential at the next level of EX-Other (Col/BGen). Finally, starting at that FI-04 level (LCol), one other area of experience between the last five categories of experience (experience listed from e) to i) in Figure 7) is also essential.

⁸² Treasury Board of Canada Secretariat, “FI to CFO Career Path,” last accessed 3 April 2014, <http://www.tbs-sct.gc.ca/fm-gf/tools-outils/guides/ficfo-fidpf-eng.asp>.

⁸³ *Ibid.*

⁸⁴ *Ibid.*

Figure 7: Functional Experience

Experience	Qualifications Needed for Promotion - Level						
	FI-01	FI-02	FI-03	FI-04	EX – Other	EX – DCFO	EX – CFO
a. Financial planning	Essential: one of a to i	Essential: one of a to c and Essential: one of d to i	Essential: two of a to d and Essential: one of e to i	Essential	Essential	Essential	Essential
b. External reporting				Essential	Essential	Essential	Essential
c. Internal resource management				Essential	Essential	Essential	Essential
d. Advisory services				Desirable	Essential	Essential	Essential
e. Accounting operations f. Financial systems g. Financial policy h. Costing i. Internal controls				Essential, one of e to i	Essential, one of e to i	Essential, one of e to i	Essential, one of e to i

Source: Treasury Board of Canada Secretariat, “FI to CFO Career Path,” last accessed 3 April 2014, <http://www.tbs-sct.gc.ca/fm-gf/tools-outils/guides/ficfo-fidpf-eng.asp>.

From a breadth experience perspective, three main categories stand out and become essential at the FI-04 level (LCol). First, work experience gained in more than one department or agency is highlighted through departmental diversity. Second, expectation to gain experience in various aspects of financial management is highlighted through financial management complexity. And third, managerial experience in human resources is also deemed essential starting at that level. Details on the experience and qualifications needed for the next level are presented in Figure 8 below:

Figure 8: Breadth of Experience

Experience		Qualifications Needed for Promotion - Level						
		FI-01	FI-02	FI-03	FI-04	EX – Other	EX – DCFO	EX – CFO
Breadth of Experience ¹⁰	a) Program and corporate service delivery	NA	Desirable	Desirable	Desirable	Desirable	Essential	Essential
	b) Departmental diversity ¹¹	NA	Desirable	Desirable	Essential	Essential	Essential	Essential
	c) Central agency	NA	NA	Desirable	Desirable	Desirable	Desirable	Desirable
	d) Regional	NA	Desirable	Desirable	Desirable	Desirable	Desirable	Desirable
	e) Financial Management complexity ¹²	NA	Desirable	Desirable	Essential	Essential	Essential	Essential
	f) Managerial ¹³	NA	Desirable	Desirable	Essential	Essential	Essential	Essential
	g) Internal or external audit	NA	NA	Desirable	Desirable	Desirable	Desirable	Desirable
<p>¹⁰ To qualify, each type of breadth of experience should equate to at least one complete budgetary cycle. Ability to obtain breadth of experience may be impacted by the size of and mobility within individual organizations.</p> <p>¹¹ Departmental diversity relates to work experience gained in large, medium and small departments and agencies.</p> <p>¹² Financial management complexity relates to experience gained in a wide range of government financial management areas, including operating funds, capital, and grants and contributions.</p> <p>¹³ Managerial responsibilities relate to experience gained in planning, directing and coordinating the work of staff and in implementing and applying rigorous and comprehensive human resources management. Managerial experience can also be gained at the FI-01 level but is most prevalent at the FI-02, FI-03 and FI-04 levels.</p>								

Source: Treasury Board of Canada Secretariat, “FI to CFO Career Path,” last accessed 3 April 2014, <http://www.tbs-sct.gc.ca/fm-gf/tools-outils/guides/ficfo-fidpf-eng.asp>.

→ Implications: the FI to CFO career path recommends that it is essential for FIs to:

- At the FI-04 level (LCol), have acquired experience in financial planning, external reporting, internal resource management and one of the last five categories listed in Figure 5;
- At the EX-Other level (Col/BGen), have acquired additional experience in advisory services; and

- At the FI-04 level (LCol), have gained experience in more than one department, in various aspect of financial management and in human resources.

Competencies

For the last criterion, the FI to CFO career path separates the ten behavioral competencies into three key skills and seven key leadership competencies. Therefore, FIs are expected on one side to acquire communication, risk management and negotiation/persuasion skills and on the other side, to acquire values and ethics, strategic thinking analysis and ideas, engagement and management excellence – action, people and finance as key leadership competencies.⁸⁵ While the three key skills are generic but related specifically to FIs, the seven key leadership competencies are common to most public servants.⁸⁶ The qualifications required for each level vary for skills and competencies and are presented in details at Figure 9 below.

⁸⁵ Treasury Board of Canada Secretariat, “Manager’s Guide to Financial Officer Competency-Based Management,” last accessed 7 April 2014, <http://www.tbs-sct.gc.ca/fm-gf/tools-outils/guides/mgfocbm-gggafac/mgfocbm-gggafac03-eng.asp>.

⁸⁶ *Ibid.*

Figure 9: Competencies

Competencies ¹⁴		Qualifications Needed for Promotion - Level						
		FI-01	FI-02	FI-03	FI-04	EX – Other	EX – DCFO	EX – CFO
Competencies	a) Oral and written communications	Basic ¹⁵	Active	Proactive	Comprehensive	Advanced	Advanced	Advanced
	b) Risk management	Basic	Active	Proactive	Comprehensive	Advanced	Advanced	Advanced
	c) Negotiation skills/ integration function	Basic	Active	Proactive	Comprehensive	Advanced	Advanced	Advanced
Key Leadership Competencies	d) Values and ethics	Employee ¹⁶	Supervisor	Manager	Director	Director	DG	ADM
	e) Strategic thinking – analysis	Employee	Supervisor	Manager	Director	DG	DG	ADM
	f) Strategic thinking – ideas	Employee	Supervisor	Manager	Director	DG	DG	ADM
	g) Engagement	Employee	Supervisor	Manager	Manager	Director	DG	ADM
	h) Management excellence – action	Employee	Supervisor	Supervisor	Manager	Director	DG	ADM
	i) Management excellence – people	Employee	Employee	Supervisor	Manager	Director	DG	ADM
	j) Management Excellence – finance	Employee	Employee	Supervisor	Manager	Director	DG	ADM
<p>¹⁴ Competencies are based on the FI Competency Dictionary and include the Key Leadership Competencies developed by OCHRO. For details, see the Treasury Board of Canada Secretariat web page on Key Leadership Competencies and the Financial Management Community GCPedia site for the FI Competency Dictionary.</p> <p>¹⁵ The terms "basic", "active", "proactive" and "comprehensive" describe the underlying notion associated to the behaviours for that particular FI proficiency level for each competency, including the Key Leadership Competencies.</p> <p>¹⁶ The reference to "employee", "supervisor", "manager" and "director" reflect the corresponding proficiency level found within the Key Leadership Competencies.</p>								

Source: Treasury Board of Canada Secretariat, "FI to CFO Career Path," last accessed 3 April 2014, <http://www.tbs-sct.gc.ca/fm-gf/tools-outils/guides/ficfo-fidpf-eng.asp>.

For the three skills, the level of qualification is the same and reaches the "advanced" status at the EX-Other level (Col/Bgen). For the seven key leadership competencies, the qualifications cannot be generalized like the three skills but for this research, the following three levels are considered: manager, director and DG. While the details of those effective behaviors for each of the seven

key leadership competencies for those three levels are presented at Appendix 1, Table 15 below provides a generic description:

Table 15: General behavioral differences between a manager, director and DG

Key Leadership Competencies	Description⁸⁷
Values and Ethics	Serving through integrity and respect
Strategic Thinking – Analysis	Innovating through Analysis
Strategic Thinking – Ideas	Innovating through Ideas
Engagement	Mobilizing people, organizations, partners
Management Excellence – Action	Delivering through action management, people management, financial management – Design and execution
Management Excellence – People	Delivering through action management, people management, financial management – Individuals and workforce
Management Excellence – Finance	Delivering through action management, people management, financial management – Budget and assets

In addition to the ten behavioral competencies presented above, the FM Competency Profiles and Dictionary adds four functional competencies that are specific to the FI classification, such as: accounting operations, planning and resource management, financial policy and financial systems.⁸⁸ Those four functional competencies “are aligned with the key work streams of the FM community”.⁸⁹ While the details of the requirement expected for a FI-04 (LCol) is available at Appendix 2, Table 16 below provides a description of the four functional competencies:

⁸⁷ Treasury Board of Canada Secretariat, “Effective Behaviours,” last accessed 22 April 2014, <http://www.tbs-sct.gc.ca/tal/kcl/eff-eng.asp>.

⁸⁸ Treasury Board of Canada Secretariat, “Manager’s Guide to Financial Officer Competency-Based Management,” last accessed 7 April 2014, <http://www.tbs-sct.gc.ca/fm-gf/tools-outils/guides/mgfocbm-gggafac/mgfocbm-gggafac03-eng.asp>.

⁸⁹ *Ibid.*

Table 16: Four FI Functional Competencies

FI Functional Competencies	Description⁹⁰
Accounting Operations	Design, development and implementation of systems, processes and procedures that systematically record, analyze and track financial transactions related to revenues and expenditures.
Planning and Resource Management	Provision of advice, guidance and financial services in the areas of planning, budgeting, costing and reporting to ensure the efficient and effective use of departmental resources.
Financial Policy	Development, implementation and application of policies, procedures and controls that focus on long-term goals and objectives and that are compliant with legislation and central agency direction.
Financial Systems	The design, development, review, testing and maintenance of business processes, procedures, controls, data and software applications that produce financial and related non-financial information.

Chapter 4 introduced the four roles of CFOs in the PS, which were defined by the Office of the Comptroller General of Canada (OCG) as the steward, operator, catalyst and strategist roles.⁹¹ As a link between these roles and competencies, the FI to CFO career path guidance states that “the technical competencies for the steward and operator roles are normally developed at the FI-01 to FI-04 levels and that the behavioural competencies embedded in the catalyst and strategist roles are key to success from the FI-04 to the senior financial management executive levels.”⁹²

➔ Implications: the FI to CFO career path recommends that FIs:

⁹⁰ Treasury Board of Canada Secretariat, “Manager’s Guide to Financial Officer Competency-Based Management,” last accessed 7 April 2014, <http://www.tbs-sct.gc.ca/fm-gf/tools-outils/guides/mgfocbm-gggafac/mgfocbm-gggafac03-eng.asp>.

⁹¹ Treasury Board of Canada Secretariat, “FI to CFO Career Path,” last accessed 3 April 2014, <http://www.tbs-sct.gc.ca/fm-gf/tools-outils/guides/ficfo-fidpf-eng.asp>.

⁹² *Ibid.*

- Acquire both behavioural and functional competencies throughout their career. In fact, the FI to CFO career path guidance states that “competency development in both behavioural and functional areas is critical to career success and should be a priority as early as the FI-01 level (2Lt/Lt)”⁹³ ;
- Develop the steward and operating roles from the FI-01 (2Lt/Lt) to FI-04 (LCol) levels; and
- Develop the catalyst and strategist roles from the FI-04 level (LCol).

Summary

The FI to CFO career path provides a detailed guide and a reference in career management for FIs aspiring to become CFO in the PS. Level of knowledge, type and breadth of experience and competencies are laid out to set standards for FIs across the government. It is a series of building blocks that allow FIs to gather and master the essential requirements of their profession. It confirms the importance of education, the requirement to be exposed at various organizations and to acquire experience in various aspect of financial management and to acquire both behavioural and functional competencies. In addition, it demonstrates that the FI-04 level (LCol) is the critical level where it is expected that most of the experience and competencies have been acquired. The details of all the requirements presented in this section are summarized in Table 17 below:

Table 17: Essential Requirements for FIs

Categories	Requirements
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⁹³ Treasury Board of Canada Secretariat, “FI to CFO Career Path,” last accessed 3 April 2014, <http://www.tbs-sct.gc.ca/fm-gf/tools-outils/guides/ficfo-fidpf-eng.asp>.

Foundational	<ul style="list-style-type: none"> • Acquire 16 to 22 years of experience in finance and executive management positions before fulfilling a DCFO position; • Have an undergraduate degree; • Acquire a professional accounting designation; and • Bilingual capacity of CBC.
Diversity of Experience	<ul style="list-style-type: none"> • At the FI-04 level (LCol), have acquired experience in financial planning, external reporting, internal resource management and one of the last five categories listed in Figure 5; • At the EX-Other level (Col/BGen), have acquired additional experience in advisory services; and • At the FI-04 level (LCol), have gained experience in more than one department, in various aspect of financial management and in human resources.
Competencies	<ul style="list-style-type: none"> • Acquire both behavioural and functional competencies throughout their career. Start as early as the FI-01 level • Develop the steward and operating roles from the FI-01 (2Lt/Lt) to FI-04 (LCol) levels; and • Develop the catalyst and strategist roles from the FI-04 level (LCol).

COMPARISON – FI AND MILITARY FINANCE OFFICERS

Introduction

Even if their professional development follows a different path compared to FIs in the PS, military finance officers have the same responsibilities towards legislation, regulations, policies, directives standards and guidelines related to financial management. Therefore, military finance officers are expected to have the same level of expertise, knowledge and competencies. This section will compare essential professional requirements and present similarities as well as differences. To structure the analysis, each of the three categories described in Table 17 of the previous section (foundational, diversity of experience and competencies) will serve as the basis and be compared with the various military requirements described and the Officer General Specification (OGS) and the Job-Based Occupational Specification (JBOS) for Logistics.

Comparison – Foundational Requirements

The comparison of requirements in the first category offers both similarities and differences between the two professional development frameworks. On one hand, there are similarities in education (undergraduate degree) and bilingual capacity. On the other hand, there are differences in the requirement to acquire a professional accounting designation as well as “in years” required in finance positions. The requirement to acquire a professional accounting designation for FIs can be directly associated to the TB Guideline on CFO Qualifications published in 2009. For military finance officers, this requirement is currently only related to the DCFO position. Therefore, compared to the FI occupation, military finance officers are not required to have a professional accounting designation before filling the DCFO position. With regards to the second difference, it highlights the same conflicting requirement of being a finance officer within the logistics where the “generalist” approach is not aligned with being a financial specialist that was presented previously in Chapter 5. The logistics occupational requirements of being a “generalist”, of only starting your finance specialty at the rank of Capt (FI-02) and of filling Command and staff positions outside of finance could result in not having the minimum years recommended in finance before fulfilling the DCFO position. By doing less than the recommended years at various ranks, it could affect the diversity of experience required, which is presented in the next sub-section. The details of the comparison for foundational requirements are presented in Table 18 below.

Table 18: Comparison – Foundational Requirements

Foundational Requirements	Military Finance Officers
Acquire 16 to 22 years of experience in finance and executive management	<ul style="list-style-type: none"> • Fulfill the requirement to complete DP3 to DP 4; • Fulfill the environmental requirements; • Occupational Training and Experience;

positions before fulfilling a DCFO position	<ul style="list-style-type: none"> • Employment (Focus within the CAF in Command and Staff positions, fulfill occupational, training and staff jobs and concentrate on security studies and command and control)
Have an undergraduate degree;	Similar
Acquire a professional accounting designation	Mandatory only for the DCFO position (currently filled by a military finance officer).
Bilingual capacity of CBC	Similar

Comparison – Diversity of Experience Requirements

The comparison of requirements in the second category offers some synergy but also highlights potential gaps between the two occupations. In general terms, the functional experience in finance is not aligned with JBOS for Logistics. This is mainly due to the “generalist” approach of logistics, which does not promote functional experience within the occupation from both knowledge and employment perspectives. In order to fulfill the functional requirements laid out in the FI to CFO career path, military finance officers aspiring to become DCFO would have to be employed mainly in finance positions throughout their career, which is contradictory of the JBOS for Logistics. Also, in order to gain experience in external reporting, it is important to note that military finance officers would have to do a tour as staff officer in the CFO’s organization as this organization is responsible for this activity in DND. That being said, synergy can be created in order to gain the experience in advisory services required at the EX-Other level (Col/BGen). In fact, the transition to a strategic leader, through the five meta-competencies described in the OGS, will provide military finance officers the tools to fulfill this FI experience requirement.

As for the breadth of experience required in the FI to CFO career path, comparing the requirements for FIs with military finance officers is challenging because the latter is most likely to have employment opportunity only within DND. To fulfill the essential requirement of departmental diversity, military finance officers would have to be given the opportunity to be assigned temporarily to another department. As experience in Central Agencies is desirable, a tour in one of these organizations would definitively be beneficial and create synergy fulfilling both requirements in one. The requirement for financial management complexity could be addressed in employing military finance officers in positions with various levels within DND, not only within the CAF. That would allow them to be exposed to the full spectrum of financial management at the tactical, operational and strategic level. As for the managerial experience requirement, the professional development of military finance officers will provide them with numerous opportunities to plan, coordinate and direct military and civilian personnel accordingly, fulfilling this FI experience requirement.

In summary, the FI occupation focuses on the importance to gain functional experience but also on the breadth of experience. While military finance officers, as logisticians, are not encouraged to pursue only a finance specialty, they also do not have the same accessibility to departmental diversity compared to FIs. If military finance officers fully comply with the requirements listed in the JBOS for Logistics, it would create significant gaps in functional experience in comparison to FIs. The details of the comparison for diversity of experience are presented in Table 19 below.

Table 19: Comparison – Diversity of Experience Requirements

Diversity of Experience	Military Finance Officers
At the FI-04 level (LCol),	<ul style="list-style-type: none"> • Finance training (complete two CAF course to acquire the

<p>have acquired experience in financial planning, external reporting, internal resource management and one of the last five categories listed in Figure 5;</p>	<p>SS AIHM and AIHS qualifications)</p> <ul style="list-style-type: none"> • Employment (focus within the CAF in Command and Staff positions, fulfill occupational, training and staff jobs and concentrate on security studies and command and control) • Comprehension and Judgment (LOG must possess a comprehensive knowledge of their sub-occupation (Sea, Land or Air) and a general knowledge of all CAF logistics policies and systems)
<p>At the EX-Other level (Col/BGen), have acquired additional experience in advisory services; and</p>	<ul style="list-style-type: none"> • Transition of the five meta-competencies to higher and more strategic level • Employment (Focus within the CAF in Command and Staff positions, fulfill occupational, training and staff jobs and concentrate on security studies and command and control)
<p>At the FI-04 level (LCol), have gained experience in more than one department, in various aspect of financial management and in human resources.</p>	<ul style="list-style-type: none"> • Employment (Focus within the CAF in Command and Staff positions, fulfill occupational, training and staff jobs and concentrate on security studies and command and control)

Comparison – Competencies Requirements

The comparison of requirements for the third and last category offers some similarities and differences between the two occupations. Due to the fact that most of the ten behavioural competencies are generic, not only for FIs, they can be easily connected to the application of the fundamentals of Officership for military finance officers. Communication, risk management, values and ethics and management of people, just to name of few, can directly be linked with leadership and military ethos from a military perspective, creating similarities between both occupations. A similar synergy is also created between the two occupations for the development of the catalyst and strategist CFO roles where the military, through the transition of the five meta-competencies, prepare military finance officers to be strategic leaders. That being said, from the functional competencies perspective, the same issue highlighted in the previous sub-

section under diversity of experience is applicable. According to the JBOS for Logistics, functional competencies are not the focus for logistics officers and employment in pure finance positions, throughout a logistician's career, is not recommended. This could prevent military finance officers from acquiring the necessary competencies to fulfill functional requirements and also have a direct impact on the capability to fulfill the steward and operating CFO roles. The details of the comparison for competencies are presented in Table 20 below.

Table 20: Comparison – Competencies Requirements

Competencies	Military Finance Officers
Acquire both behavioural and functional competencies throughout their career. Start as early as the FI-01 level	<ul style="list-style-type: none"> • Apply the fundamentals of Officership • Finance training • Be aware of consequence of errors • Responsibilities of logistic resources and services
Develop the steward and operating roles from the FI-01 (2Lt/Lt) to FI-04 (LCol) levels; and	<ul style="list-style-type: none"> • Fulfill the requirement to complete DP 3
Develop the catalyst and strategist roles from the FI-04 level (LCol).	<ul style="list-style-type: none"> • Fulfill the requirement to complete DP 4 • Transition of the five meta-competencies to higher and more strategic level

Summary

In this section, it was demonstrated that some synergy and differences are present when comparing the military finance officers' professional development framework with the FI to CFO career path. Similar foundational requirements such as education and bilingual capacity were presented. It also demonstrated that the military requirement of transition to strategic leader through the five meta-competencies provides military finance officers with the necessary experience in advisory services and functional competencies for the catalyst and strategist CFO

roles. Moreover, it was determined that the fundamentals of Officership can prepare military finance officers to fulfill the FI requirement of the ten behavioural competencies. However, the professional accounting designation is only required for the position of DCFO for military finance officers where it is essential starting at FI-03 (Maj) for FIs. Major differences in functional experience and competency were also presented. The main one being the required functional experience, which is contradictory to the “generalist” approach presented in the JBOS for Logistics. If military finance officers follow the recommended career path laid out in the JBOS for Logistics, they would have significantly less functional experience and competencies than FIs, creating a gap. In addition, differences in departmental diversity and external reporting experience were raised where specific positions, inside and outside of DND would have to be filled.

While the FI to CFO model provides an excellent platform to compare civilian and military finance officers, there are some limitations to consider. It is important to note that the model is a new concept that is evolving. The 2011 June Status Report of the Auditor General of Canada highlighted the fact that “departments need to work with the Office of the Comptroller General of Canada to ensure that succession strategies are in place [for key financial positions],”⁹⁴ confirming the requirement to improve the current succession management framework for FIs. In addition, the model is a guide, not mandatory requirements. In fact, even if the foundational requirements category considers the professional accounting designation as essential for FI-03 and above, the current qualification standards do not require an accounting designation. In fact, the required education is “a degree from a recognized university with

⁹⁴ Office of the Auditor General of Canada, “2011 June Status Report of the Auditor General of Canada,” last accessed 26 April 2014, http://www.oag-bvg.gc.ca/internet/English/parl_oag_201106_01_e_35369.html#hd5j.

specialization in accounting, finance, business administration, commerce or economics.⁹⁵

Ultimately, it is important to note that this model of the PS is not the perfect scenario or model that military finance officers must follow, but certainly an excellent guide for comparison purposes in order to determine areas of improvement.

CONCLUSION

Within DND, the responsibility to provide the DM and the CFO with the assurance and trust that a sound governance framework in financial management is in place rests with both FIs and military finance officers. In fact, considering that the main level one Comptrollers (Royal Canadian Navy, Royal Canadian Air Force, Canadian Army, ADM Mat, Chief Military Personnel) and the department's Director of Budget are positions filled currently by military finance officers, at the rank of Col, it could be argued that military finance officers have extremely important financial responsibilities at the strategic and institutional levels in DND. In this Chapter, the FI to CFO career path used in the PS to build a skilled and strong financial community across all departments was used as the basis for comparing the professional development of military finance officers. The first section presented the essential requirements for FIs for the following three categories: foundational, diversity of expertise and competencies. The FI to CFO career path focuses mainly on functional financial experiences and competencies but also confirmed the importance of generic managerial and strategic skills. In the second section, the comparison between the two occupations was presented and it was demonstrated that the professional development path of military finance officers has some similarities but also have significant gaps compared to the FI to CFO career path. Similarities can be found in strategic and

⁹⁵ Treasury Board of Canada Secretariat, "Qualification Standards," last accessed 26 April 2014, <http://www.tbs-sct.gc.ca/gui/squn01-eng.asp#FI>.

managerial experiences where the professional development of military finance officers provides them with great tools and opportunities to be able to fulfill the FI requirements. As for differences, the most significant is the conflicting requirements of the “generalist” approach from the JBOS for Logistics and the functional experience and competencies requirements of a finance specialist. Ultimately, the adherence to the logistic professional development framework would not allow a military finance officer to acquire the recommended level of functional experience and competencies stated in the FI to CFO career path that could create a competency gap between military finance officers and FIs.

Both analysis presented in Chapters 5 and 6 reported gaps and conflicting requirements in the current PD framework of military finance officers. In the next Chapter, a modified framework is introduced based on proposed avenues and ideas to deal with the three main conflicting requirements identified in this paper.

CHAPTER 7 – PROPOSED CHANGES

INTRODUCTION

In Chapter 1, the environment and context was presented to set the foundation on governmental requirements, policies and direction for which the Department of National Defence (DND) and the Canadian Armed Forces (CAF) have to comply with regards to financial management. The Modern Comptrollership Initiative, The Management Accountability Framework, the Federal Accountability Act and current Policy Framework for Financial Management were the four main governmental initiatives introduced to demonstrate the evolution of the financial management environment. They have set new requirements, accountabilities and responsibilities for Deputy Ministers (DM), Chief of Financial Officers (CFO) and ultimately, finance officers. To fulfill their financial management requirements, the DM and the CFO can count on a finance community comprised of civilian Financial Officers (FI) from the Public Service (PS) and military finance officers from the CAF. They need a skilled and competent finance community that can provide them with assurance and trust that the financial management of the department is efficient and effective. While the civilian and military finance officers have to fulfill the same financial responsibilities, they have very different professional development (PD) frameworks.

From the *military perspective*, Chapters 2 to 4 looked at the professional development framework of military finance officers through three distinct groups: 1) being a military officer, 2) being a logistics officer and 3) being a military finance officer. More specifically, the Officer General Specification (OGS); the Job-Based Occupation Specification (JBOS) for Logistics; and Treasury Board (TB) Policies, TB Guidance and departmental references were used to determine all essential requirements related to being a military officer, a logistics officer and a finance

officer, respectively. Within the *military perspective*, it was identified (Chapter 5) that three main conflicts existed amongst the three groups: 1) conflicting requirements between the generalist approach of logistics and specialist requirements of being a Comptroller, 2) limited time available to fulfill all requirements in a 35-year career and 3) the absence of requirements to develop strategic leaders that would operate in a DND environment, not only within CAF.

To reinforce the conclusions made through the analysis of the *military perspective*, the *civilian perspective* through the FI to CFO model was presented and compared with the PD framework of military finance officers in Chapter 6. The need for financial functional experience and competencies reiterated the conflicting requirements related to the generalist approach of logistics and the specialist approach of finance. It confirmed that if a military finance officer follows the current PD, it would lead to major competency gaps between the civilian and military finance officers. As it currently stands, it can be argued that only the military finance officers from the Royal Canadian Navy (RCN), within the CAF, can provide the DM and the CFO with the trust and assurance that the PD for military finance officers is aligned with governmental requirements due to the fact that all their logistics officers are trained and gain a certain level of finance experience early on in their career. Considering the constant pressure and governmental requirements on transparency and accountability for financial management as well as the fact that most of level one (L1) Comptrollers are military finance officers, the PD for military finance officers of the Canadian Army (CA) and the Royal Canadian Air Force (RCAF) have to be modified.

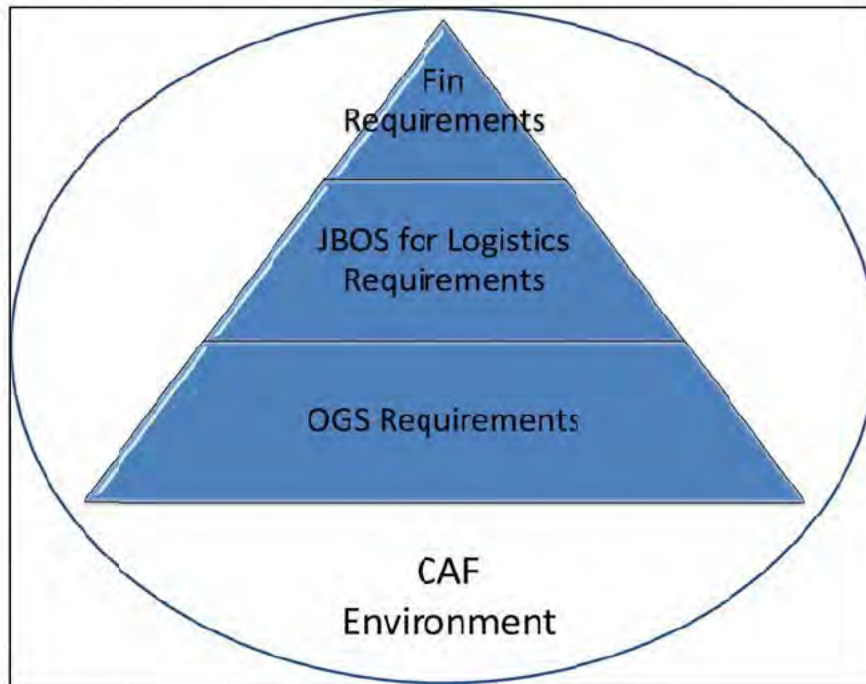
This Chapter will schematize the current PD framework for military finance officers, identify potential avenues and ideas to improve the three main conflicting requirements

previously identified and finally, propose a modified PD framework. Moreover, it will integrate information gathered through the process of interviews done with senior military finance officers holding, at the time of the interviews, strategic and institutional finance positions at the rank of Col and above.

CURRENT PROFESSIONAL DEVELOPMENT FRAMEWORK

The current PD framework for military finance officers, mainly for the CA and RCAF, can be visualized in building blocks where the requirements stated in the OGS is the foundation of the PD, of which all military officers follow throughout their careers. Common requirements that pertain to the occupation of logistics are added in order to be aligned with the JBOS for Logistics. Lastly, at the development period (DP) 2 at the rank of Capt, Occupational Specialty Specifications (OSS) of finance is added in order to develop the functional expertise to fulfill responsibilities of Comptrollers. A pyramid of requirements operating and focusing mainly on CAF activities can represent this PD framework. Figure 10 below shows the pyramid:

Figure 10: Current PD Framework for Military Finance Officer



As demonstrated in Chapter 5, the current PD of military finance officers is faced with conflicts with regards to the generalist and specialist approaches, the limited time available in a 35-year career to fulfill all requirements and the absence of requirements to develop strategic leaders that would operate not only in a CAF environment but in a whole of government context. It appears that the current PD framework promotes, first and foremost, a generic military approach that allows military finance officers to build only their military credibility in a CAF operating environment. The following section will present potential avenues and ideas to improve the current PD framework by examining each of the three conflicting requirements separately.

CONFLICTING REQUIREMENTS

Functional Experience

From governmental regulations, policies and guidelines, this paper demonstrated that military finance officers have to fulfill specific finance requirements in their PD, for which financial competencies have to be acquired. In the current financial management context, finance requirements for military finance officers cannot be discarded. In fact, as explained in Chapter 6 with the FI to CFO Model, the Office of the Comptroller General of Canada (OCG) has already taken steps to strengthen the civilian FI workforce and provided them with a guide on foundational, experience and competencies requirements. If the PD of military finance officers does not adapt and consider the financial requirements to have a skilled and strong military finance workforce, a gap in functional experience and competencies between civilian and military finance officers will arise. Considering that Comptroller's positions start at the Capt level and that deployment of military finance officers on military operations occurs generally at the ranks of Capt and Maj, the need to acquire financial experience at a very early stage of their career is undeniable. With the current generalist approach of the logistics and the amalgamation of finance and administration clerks in 1998, military finance officers in the CA and the RCAF no longer have an entry level position of 2Lt to count on in order to develop their financial functional expertise at the early stage of their career. To be able to acquire finance expertise early on, entry level positions are required to provide 2Lt and Lt's with the opportunity to work in finance under the supervision of a more senior finance officer before becoming Comptroller of a formation at the rank of Capt. In the RCN, the situation differs as all naval logisticians are trained in finance and gain financial functional expertise early on in their career. Therefore, they

all have a foundational expertise in finance and the decision to pursue or specialize in finance is made at a later stage.

The proposal to increase financial functional experience and competencies in the PD of CA and RCAF military finance officers is not a suggestion to isolate military finance officers in doing strictly finance positions throughout their career nor is it an attempt to create a finance occupation distinct from the logistics. It refers to the requirement to build functional experience early in the career contrary to what the JBOS for Logistics states. To acknowledge that specific finance requirements do exist and have to be fulfilled so that military finance officers remain relevant in the eyes of the DM, the CFO and the government. Most importantly, it confirms that the current generalist and one size fits all approach of the PD does not set the conditions for success for expert staff such as military finance officers. As such, finance credibility in DND has to be recognized as being as important as the military credibility in the CAF. Status quo would significantly increase the risk of losing that finance credibility; hence, losing strategic/institutional positions that have been assigned to military personnel for years.

Considering that the CFO has the ultimate responsibility of providing “functional leadership and direction to the financial management community of the department”⁹⁶, it is important for the CAF to maintain its finance credibility within the CAF, DND and with Central Agencies. The importance of having both military and finance credibility was confirmed in interviews with senior military finance officers. In fact, the importance of having military and finance credibility was both assessed as “essential” (5 on a scale of 1 to 5 where 1 was “not important” and 5 was “essential”). In addition, results of the interviews also demonstrated the importance of diversity

⁹⁶ Treasury Board of Canada Secretariat, “Policy on Financial Management Governance,” last accessed 24 April 2014, <https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=14005§ion=text#cha1>.

in experience, within the finance world but also outside of it. Suggestions like acquiring a second specialty, doing command or outside of country positions and assignments with other departments were made, thus confirming the requirement not to isolate military finance officers to only finance positions.

To set the conditions for success and have a pool of viable candidates for the succession management of the DCFO position, the PD for military finance officers must include a professional accounting designation. It would be illogical to make this requirement mandatory for all military finance officers as not everyone will be DCFO, but it suggests that identification of potential candidates will have to be done significantly early in their career. This also implies that selected candidates would have support from the CAF and their chain of command to get, at a minimum, time and possibly access to funding. For retention and credibility purposes, the process could be managed the same way as other postgraduate studies where funding is provided and years of service have to be committed by the member. Furthermore, it would make the process official and confirm the commitment of the CAF to the military finance community. It would provide military finance officers with the opportunity to enhance their finance credibility. The JBOS for Logistics states the requirement to concentrate on security studies and command and control, therefore changes to the occupational specifications would likewise be required. To be consistent with this commitment, the JBOS for Logistics need to add Comptroller's positions into the list of occupational jobs. In addition, flexibility could be built in the objectives of DP 3 and DP 4 of the JBOS for Logistics to include specific financial needs but also the requirement to operate in a DND environment and Central Agencies, not only the CAF. This proposal applies to the three environments as all military finance officers have to build their finance credibility.

Limited time

The OGS focuses on specific courses such as JCSP and NSP as much as Command and Staff positions at various levels throughout DP 3 and DP 4. Combining the OGS requirements with the logistics and functional financial requirements, a 35-year career is not long enough to do it all. Figure 5 in Chapter 5 demonstrated that fact with a simplified reverse timeline. Applying the recommendation of having military finance officers starting early in finance would allow a gain of three years (2Lt and Lt levels) for CA and RCAF military finance officers. That would offer the opportunity for diversity of experience at a later stage of their career. Simultaneously, it would allow young military finance officers to gain experience and expertise before deploying as finance officers. Moreover, it would create a bigger pool of qualified candidates for deployment. Understanding that this reverse timeline is very generic and is CA and RCAF centric, no career path is the same and time in rank could significantly vary. Therefore, it is possible that decisions on which essential requirements can be dismissed for military finance officers representing all three environments will have to be made, more specifically starting at the rank of LCol.

What about the essential requirement of commanding at the rank of both LCol and Col as stated in the OGS and the JBOS for Logistics? The only command position in finance at the rank of LCol resides in the RCN. CA and RCAF military finance officers have to fill command positions to the detriment of functional finance experience. Command positions have to be carefully planned for each individual but also have to be done using a holistic approach at the LCol and Col levels because of the limited pool of military finance officers. It needs to consider command opportunities but also the overall institutional requirement and capacity to fill critical institutional and strategic finance positions. Command positions are directly link to the military

culture and provide instant military credibility to whoever is holding such a position. As per the Canadian military doctrine on leadership, command is “based on formally delegated authority” and is “the purposeful exercise of authority over structures, resources, people and activities.”⁹⁷ Furthermore, it states that leadership is “a role requirement of command”⁹⁸ but “not all commanders have been or are good leaders”⁹⁹, confirming that command does not equal leadership. In fact, the doctrine states “leadership is not constrained by the limits of formal authority.”¹⁰⁰ More specifically, it compares the military command function to a civilian general management role with the following three unique distinctions for military command: 1) the authority to use force, 2) the authority to place others in harm’s way and 3) the power of punishment.¹⁰¹ Considering the fundamental responsibility of a military officer is leadership and that “it is not necessary to be a commander to be a leader”¹⁰², is it necessary for military finance officer to command? Command, like general management, provides military officers with experience in “planning, problem-solving and decision-making, organizing, informing, directing and leading, allocating and managing resources, developing, coordinating, monitoring, controlling and so on.”¹⁰³ Basically, it provides them with an opportunity to gain experience in those activities. Ultimately, it could be argued that any Comptroller positions could also provide that opportunity but at a different level and scope.

⁹⁷ Department of National Defence, A-PA-005-000/AP-004, *Leadership in the Canadian Forces: Conceptual Foundations* (Ottawa: DND Canada, 2005), 8.

⁹⁸ *Ibid.*, 9.

⁹⁹ *Ibid.*, 9.

¹⁰⁰ *Ibid.*, 9.

¹⁰¹ *Ibid.*, 11.

¹⁰² *Ibid.*, 9.

¹⁰³ Department of National Defence, A-PA-005-000/AP-004, *Leadership in the Canadian Forces: Conceptual Foundations* (Ottawa: DND Canada, 2005), 9.

Recommending to skip both command positions, at the LCol and Col level, might be a bridge too far for the CAF as military credibility would be affected and it could have a major impact on promotion as command leadership is part of the scoring criteria at the LCol to Col.¹⁰⁴ However, doing only one of the two command positions would create an opportunity for an assignment outside of DND in order to fulfill the requirements related to the understanding of the DM's environment, the machinery of government and the processes and structures of Central Agencies. From the results of interviews with senior military finance officers from the three environments, there was a significant difference when asked about the importance for military finance officers to command at the LCol level versus Col level. The average results indicated that the importance to command at the LCol level was assessed as "very important" (4 on a scale of 1 to 5 where 1 was not important and 5 was essential) where the importance to command at the Col level was assessed as "somewhat important" (2 on a scale of 1 to 5 where 1 was not important and 5 was essential). Also, the interviews did not show any trend or specific environmental requirement, suggesting that this applies to the three environments. Ultimately, it suggests that if one were to be dismissed, it would be command at the rank of Col. The results of the interviews could also be representative of the fact that command positions for logistics at the Col level are very limited and that none of the current level 1 comptrollers had held a command position at the time of interviews, suggesting the absence of this requirement to fulfill their responsibilities as L1 Comptrollers.

Limited time combined with specific finance requirements could become problematic if the CAF do not have a sufficient pool of qualified candidates. The unplanned exoduses of a few senior military finance officers could have major repercussions. Many examples from this year

¹⁰⁴ Department of National Defence, *Lcol to Col Scoring Criteria* (Ottawa, 2012) 4.

alone could be listed where it appears that the number of qualified candidates was not present, affecting the capacity of the CAF to fulfill their responsibilities to produce competent and qualified military finance officers. Succession management is not a perfect tool and cannot predict all situations; therefore, the PD system needs to be flexible to ensure the CAF can put the right person, at the right place, at the right time with all the required qualifications. It needs to be able to track qualified individuals, to offer the possibility of just in time training or mentoring when specific gaps in competency are discovered or in the event of unexpected departures. This flexibility needs to also be applied to promotion criteria where equivalency for courses or command positions has to be considered. It is a significant undertaking considering that each environment oversees the succession management for logistics officers up to Col. Without taking away succession management completely from each environment, compromise could be made by having the institution overseeing the process for military finance officers. Therefore, the process of succession planning for LCol and above would be centralized at the institutional level with the involvement of the three environments. Understanding that coordination and discussions are already occurring in order to decide the posting plan, making the process official and taking it one step further in providing the institution with the confidence that each environment are force generating a sufficient amount of military finance officers would send a strong signal to the finance community and the CAF as a whole.

Strategic Leader

One of the objectives described in the OGS for DP 4 is the requirement to develop strategic leaders. As noted in Chapter 5, this requirement is aligned with finance requirement but not the JBOS for Logistics. It would be unreasonable for the logistics to completely disregard the

requirement to develop logisticians for strategic/institutional positions in the CAF and DND; hence there is a requirement to change the JBOS accordingly. But as stated by LGen Jeffery in 2008 in his paper for the CF Executive Development Programme, the OGS “lacks the clarity required to define what we expect of a strategic leader...it falls short of defining the competencies required.”¹⁰⁵ In fact, the OGS does not provide the supporting competencies and details behind the Leadership Development Framework, which was presented at Table 6 of Chapter 2. In his study, LGen Jeffery demonstrated that 58.4% of General/Flag Officers (G/FO) was employed at the strategic level and that 51.9% were employed in the Force Generator (FG) and Force Employer (FE) category, presented as the primary stream. The rest, 48.1%, were operating in secondary streams such as Personnel, Resource Management and Acquisition, Policy and Force Development.¹⁰⁶ While LGen Jeffery addresses more specifically G/FO positions, it would be in the interest for logistics to gather the same information for all LCol and Col’s in order to have an understanding of the requirements to develop strategic leaders. For military finance officers of the three environments, with the exception of only a few, all LCol positions are at the strategic level and only five positions (deputy Comptrollers of each environment, CJOC and one additional position in the Navy) are in the primary stream (FG/FE). The rest of the LCol positions are also at the strategic level but spread throughout the institution. Therefore, providing military finance officers with the knowledge and competencies of being strategic leaders earlier compared to combat arms officers or operators in the CAF should be considered. The aim of paper is not to define specific requirements and competencies of strategic level positions but to acknowledge that the operating environment of all military finance officers,

¹⁰⁵ LGen Michael K. Jeffery, “A Concept for Developmental Period 5: The CF Officer Professional Development System” (The CF Executive Development Programme, Canadian Forces College, 2008), 5.

¹⁰⁶ *Ibid.*, 7.

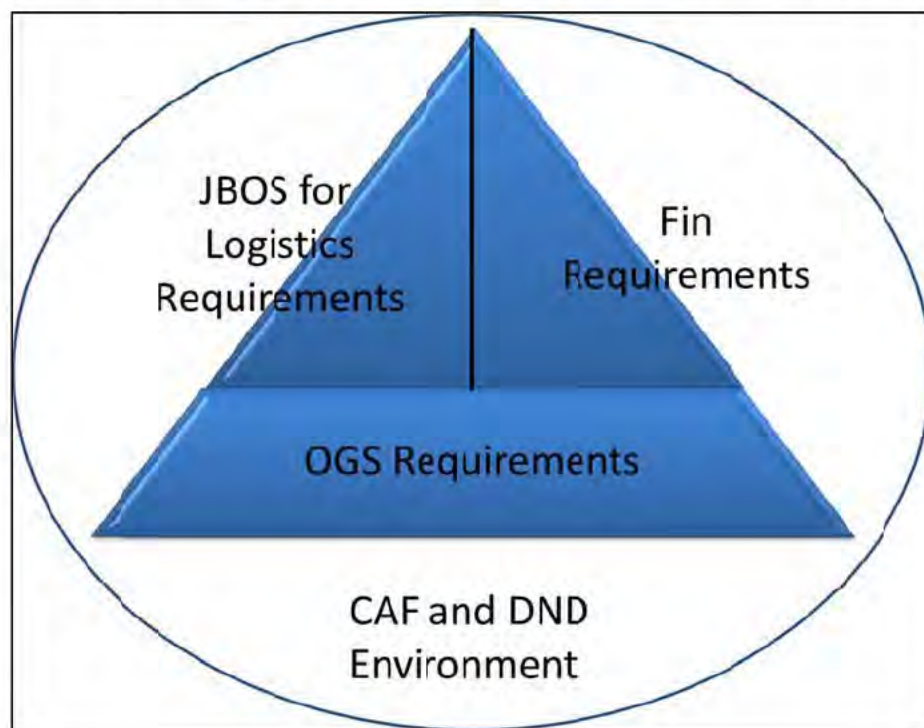
starting at LCol, is at the strategic level. As expert staff advising commanders of two or three rank above them, understanding the commander's environment at the strategic level and knowing how the machinery of government and Central Agencies work would increase their credibility and set the conditions to provide sound and relevant advices.

With all these potential avenues, the following section will propose modifications to improve the current PD framework for military finance officers.

MODIFIED PROFESSIONAL DEVELOPMENT FRAMEWORK

As presented at Figure 10 in the first section of this Chapter, the current PD framework for CA and RCAF military finance officers can be represented by a pyramid where each category of requirements of the OGS, the JBOS for Logistics and finance are building blocks suggesting a specific sequence. With the proposed change to recognize the requirements of building functional finance expertise earlier in the career path of military finance officers, it implies that both the finance and the logistics requirements have to be considered simultaneously not in sequence. To reflect this proposed change, the pyramid of the current framework would convert from three to two levels. It would also align the PD of CA and RCAF finance officers with the RCN finance officers. The two-level pyramid of the modified PD framework is presented in Figure 11 below:

Figure 11: Modified PD Framework for Military Finance Officers



Moreover, to reflect the importance for military finance officers to develop the capacity to operate not only in the CAF's environment, both CAF and DND are represented.

The first implication of this modified PD framework is the recognition of functional financial requirements. From this perspective, finance can truly be seen as a profession within the logistics where finance requirements are as important as logistics requirements. Also, it recognizes the requirement to provide that functional finance foundation at an earlier stage, creating similarities, to a certain extent, between the CA, RCAF and RCN finance officers. Furthermore, it recognizes the importance to be trained and employed in the DND environment as much as the CAF. It will provide military finance officers with the opportunity to develop competencies at the strategic level. Finally, it does not prevent military finance officers from acquiring a second specialty or be employed in positions outside of finance later on.

CONCLUSION

In this Chapter, the current PD framework for CA and RCAF finance officers was schematized using a pyramid representing the three categories of requirements (OGS, JBOS for Logistics and finance) acting as sequenced building blocks and operating mainly in a CAF environment. As discussed in Chapter 5 and 6, conflicting requirements were raised and the second section of this Chapter proposed avenues and ideas to improve the current PD framework. Considering those proposed changes, the final section of this Chapter introduced a modified PD framework. The modified PD framework considers the need to build financial expertise at an earlier stage and allows flexibility to do continue to grow as a military officer. It sets the conditions to create a bigger pool of qualified and competent military finance officers so that in the future, the CAF leadership is able to balance the diversity of employment with command positions and service requirements in filling institutional finance positions. It also brings similarities in PD for CA, RCAF and RCN finance officers.

In addition to the modified PD framework, many suggestions were made to ensure that military finance officers acquire the capability to exercise prudent fiscal management that are aligned with governmental requirements. Entry-level positions are the perfect platform to be able to acquire functional expertise early in once career. Moreover, the PD of military finance officers have to ensure taking into consideration the requirement of having a pool of military finance officers with a professional accounting designation to be able to succession plan the DCFO position. Also, the CAF and the logistics have to make a commitment to their military finance community, recognizing Comptroller positions as an occupational job in the JBOS for Logistics. Ultimately, in order to be able to have the right person at the right place at the right time, the

system will require flexibility with essential requirements such as command positions, promotion and assignment outside of DND. It is a benefit to the institution to recognize that, at the rank of LCol, military finance officers are expert staff operating at the strategic level and mainly in institutional positions. Consequently, overseeing the succession management of military finance officers at the institutional level is one way to ensure that a viable pool of qualified and competent candidates is available and being developed by each environment. Finance credibility is critical in the PD if the CAF leadership wants to keep their L1 Comptroller's positions filled with military finance officers that understand the uniqueness of CAF's operating environment and representing each of the three environments.

CONCLUSION

CONCLUSION

This paper demonstrated that the current professional development (PD) framework for military finance officers, more specifically for the Canadian Army (CA) and the Royal Canadian Air Force (RCAF), have three main conflicting requirements which provides the Department of National Defence (DND) and the Canadian Armed Forces (CAF) with challenges in its capability to exercise prudent fiscal management and alignment with governmental requirements. Today's financial management environment has been influenced by a series of governmental initiatives such as the Modern Comptrollership Initiative in 1998, the Management Accountability Framework in 2003, the Federal Accountability Act in 2006 and the current Policy Framework for Financial Management in 2010. Those initiatives have set new requirements, accountabilities and responsibilities for Deputy Ministers (DM), Chief of Financial Officers (CFO) and ultimately, finance officers.

In the analysis of the *military perspective*, it was demonstrated that the current PD for military finance officers, more specifically for the CA and the RCAF, privileged military credibility and a generalist approach to the detriment of the functional financial experience and competencies and the finance credibility. Combining all essential requirements related to the three groups of the *military perspective* in being a military officer, a logistics officer and a finance officer creates an unrealistic list of essential requirements. Fulfilling all those essential requirements in a 35-year career could be easily jeopardized by external factors such as an early or late promotion, an unexpected service requirement or even an unexpected family situation. Moreover, it was determined that the JBOS for Logistics was not conducive to develop strategic

leaders, which is a key requirement for military finance officers as they fill mainly strategic positions starting at the rank of LCol.

To reinforce the conclusions made through the analysis of the *military perspective* and offer a comparison with the civilian side of the finance community, the *civilian perspective* through the FI to CFO model was presented and compared with the PD framework of military finance officers. The need for financial functional experience and competencies was reiterated. Compared to the *military perspective*, initiatives have been launched in the FI community to strengthen their workforce and align themselves with current governmental requirements. From the military stand point, the current PD of military finance officers has yet to adapt itself to the evolved and changed environment of financial management and consider financial requirements. Taking into account that most of level one (L1) Comptrollers are military finance officers; if the CAF is not able to develop a viable pool of qualified and competent military finance officers, they risk losing the finance credibility with the DM and the CFO. Ultimately, they could lose the privilege of having military finance officers as L1 Comptrollers or other critical staff officer positions in DND.

Changes to the current PD framework for military finance officers have to be made to ensure its alignment with governmental requirements. The CAF have to invest in the PD of their military finance officers to maintain a high level of competencies as this has a direct impact on the finance credibility of the entire department. The CAF have to demonstrate that they are keeping up with the changing environment of financial management and are taking the necessary actions to develop a strong, skilled and competent military finance workforce. Ultimately, they have to ensure that the PD for military finance officers is also aligned with current initiatives

promulgated by Treasury Board Secretariat (TBS) and the Office of the Comptroller General of Canada (OCG). When filling strategic positions, military finance officers have to be able to match the experience and competencies standards set in the FI community. The recognition of financial functional requirements in the JBOS for Logistics is the first step towards changing the philosophy that the generalist approach of the logistics is not applicable for all scenarios. Without creating a finance occupation on its own, it would acknowledge its additional and specific requirements. It would provide an actual framework or a guide for future military finance officers.

Modifying in writing the JBOS for Logistics is only one part of the solution because the proposed changes need to be championed and led. Senior finance officers, starting at the top with the CFO and the DCFO have to provide a vision to the military finance community and therefore, commit and lead the changes. The institution has to make each environment accountable in their efforts to develop military finance officers. Understanding that military credibility within the CAF will always be key and privileged from an operator's perspective, seniors at all levels also need to understand and recognize the importance of finance credibility within DND and with Central Agencies. If the CAF fails in understanding the importance of finance credibility and developing military finance officers, strategic and institutional positions at the rank of LCol and above could simply be civilianized. Is this a risk that the CAF leadership is willing to take?

Appendix 1 – Seven Key Leadership Competencies (Manager, Director, DG)¹⁰⁷

Key leadership competency	Manager	Director	DG
Values and Ethics	<ul style="list-style-type: none"> Demonstrates Values and Ethics, including the Code, in personal behaviour 	<ul style="list-style-type: none"> Demonstrates Values and Ethics, including the Code, in personal behavior 	<ul style="list-style-type: none"> Demonstrates Values and Ethics, including the Code, in personal behavior
	<ul style="list-style-type: none"> Integrates Values and Ethics, including the Code, into unit practices 	<ul style="list-style-type: none"> Integrates Values and Ethics, including the Code, into division practices 	<ul style="list-style-type: none"> Integrates Values and Ethics, including the Code, into directorate practices
	<ul style="list-style-type: none"> Reflects a commitment to citizens and clients in own and unit activities 	<ul style="list-style-type: none"> Reflects a commitment to citizens and clients in own and division activities 	<ul style="list-style-type: none"> Reflects a commitment to citizens and clients in own and directorate activities
	<ul style="list-style-type: none"> Fosters a climate of transparency, trust, and respect within the unit and in partnerships 	<ul style="list-style-type: none"> Fosters a climate of transparency, trust, and respect within the division and in partnerships 	<ul style="list-style-type: none"> Promotes transparency and fairness
	<ul style="list-style-type: none"> Incorporates equitable practices into HR planning 	<ul style="list-style-type: none"> Incorporates equitable practices into HR planning 	<ul style="list-style-type: none"> Builds departmental values into directorate policies and programs
	<ul style="list-style-type: none"> Supports opportunities for and encourages bilingualism and diversity in the unit, based on OL and EE policies 	<ul style="list-style-type: none"> Creates opportunities for and encourages bilingualism and diversity in the division, based on OL and EE policies 	<ul style="list-style-type: none"> Creates opportunities for and encourage bilingualism and diversity in the directorate, based on OL and EE policies
	<ul style="list-style-type: none"> Builds and promotes a safe and healthy, 	<ul style="list-style-type: none"> Builds and promotes a safe and healthy, 	<ul style="list-style-type: none"> Builds and promotes a safe and healthy,

¹⁰⁷ Treasury Board of Canada Secretariat, "Effective Behaviours," last accessed 22 April 2014, <http://www.tbs-sct.gc.ca/tal/kcl/eff-eng.asp>.

	respectful unit , free of harassment and discrimination	respectful division , free of harassment and discrimination	respectful director , free of harassment and discrimination
	<ul style="list-style-type: none"> • Acts with transparency and fairness in all transactions, including staffing, contracting, and day-to-day activities 	<ul style="list-style-type: none"> • Practices transparency and fairness in all transactions, including staffing, contracting, and day-to-day activities 	<ul style="list-style-type: none"> •
Strategic Thinking - Analysis	<ul style="list-style-type: none"> • Develops unit direction, based on a thorough understanding of the functional area 	<ul style="list-style-type: none"> • Frames division direction with a thorough understanding of the director's priorities 	<ul style="list-style-type: none"> • Frames questions and analyses with a thorough understanding of sectoral and policy issues
	<ul style="list-style-type: none"> • Seeks clarification and direction from the Director, as required 	<ul style="list-style-type: none"> • Seeks clarification and direction from the DG, as required 	<ul style="list-style-type: none"> • Seeks clarification and direction from the ADM
	<ul style="list-style-type: none"> • Coordinates information from multiple projects to form a comprehensive perspective 	<ul style="list-style-type: none"> • Integrates information from multiple sources to form a comprehensive perspective 	<ul style="list-style-type: none"> • Integrates multiple domains of information and identifies the links
	<ul style="list-style-type: none"> • Identifies interdependencies across unit projects 	<ul style="list-style-type: none"> • Identifies interdependencies in cross-functional projects 	<ul style="list-style-type: none"> • Seeks broad perspectives and expertise
	<ul style="list-style-type: none"> • Analyzes setbacks and seeks honest feedback to learn from mistakes 	<ul style="list-style-type: none"> • Analyzes setbacks and seeks honest feedback to learn from mistakes 	<ul style="list-style-type: none"> • Analyzes setbacks and seeks honest feedback to learn from mistakes
	<ul style="list-style-type: none"> • Tracks changing division priorities and analyzes impact on unit work plans 		<ul style="list-style-type: none"> • Tracks changing organizational dynamics

			<ul style="list-style-type: none"> • Conducts strategic analysis of trends within the directorate, organization, and external environment
Strategic Thinking - Ideas	<ul style="list-style-type: none"> • Translates the division's direction into concrete unit work activities 	<ul style="list-style-type: none"> • Translates vision and policy into concrete work activities 	<ul style="list-style-type: none"> • Translates vision and policy into concrete direction and plans
	<ul style="list-style-type: none"> • Designs solutions to operational problems 	<ul style="list-style-type: none"> • Develops division strategies, based on the departmental vision and the DG's direction • Designs initiatives to enhance operational efficiency 	<ul style="list-style-type: none"> • Links directorate programs and services to department and branch policies • Identifies key elements of the vision and implications for the directorate
	<ul style="list-style-type: none"> • Encourages and incorporates diverse and creative initiatives and perspectives 	<ul style="list-style-type: none"> • Encourages and incorporates diverse initiatives and perspectives 	<ul style="list-style-type: none"> • Encourages experimentation to maximize potential for innovation
	<ul style="list-style-type: none"> • Redesigns the unit's work activities to meet changing needs 	<ul style="list-style-type: none"> • Redesigns the division's work activities to meet changing departmental needs 	<ul style="list-style-type: none"> • Encourages constructive questioning of practices
	<ul style="list-style-type: none"> • Makes effective recommendations to the Director 	<ul style="list-style-type: none"> • Makes effective recommendations to the DG 	<ul style="list-style-type: none"> • Makes effective recommendations to the ADM
	<ul style="list-style-type: none"> • Considers the people components of issues and decisions 		<ul style="list-style-type: none"> • Seeks input of staff to create plans and solutions • Identifies solutions, alternatives, and consequences

	<ul style="list-style-type: none"> Teaches and learns from others 	<ul style="list-style-type: none"> Teaches and learns from others 	<ul style="list-style-type: none"> Teaches and learns from others
Engagement	<ul style="list-style-type: none"> Shares information vertically and horizontally 	<ul style="list-style-type: none"> Shares information vertically and horizontally 	<ul style="list-style-type: none"> Shares information with staff regularly and as it becomes available
	<ul style="list-style-type: none"> Promotes collaboration among supervisors on related projects 	<ul style="list-style-type: none"> Promotes collaboration among managers 	<ul style="list-style-type: none"> Promotes consensus across diverse groups, interests, and opinions
	<ul style="list-style-type: none"> Encourages open constructive discussion of diverse perspectives 	<ul style="list-style-type: none"> Uses persuasion to gain support for initiatives 	<ul style="list-style-type: none"> Implements inclusive, cooperative approaches with peers, staff, and superiors
	<ul style="list-style-type: none"> Recognizes opportunities to enhance outcomes through partnerships 	<ul style="list-style-type: none"> Negotiates compromises 	<ul style="list-style-type: none"> Fosters an inclusive and sensitive interpersonal climate
	<ul style="list-style-type: none"> Manages group dynamics in a diverse workforce within the unit and across projects 	<ul style="list-style-type: none"> Adapts communications to suit audience and forum 	<ul style="list-style-type: none"> Mobilizes the team to achieve directorate and departmental goals
	<ul style="list-style-type: none"> Gives credit for the contributions of partners 	<ul style="list-style-type: none"> Communicates regularly and openly with unions and other stakeholders 	<ul style="list-style-type: none"> Communicates and supports corporate decisions
	<ul style="list-style-type: none"> Accurately represents the concerns, ideas, and views of staff to upper management 	<ul style="list-style-type: none"> Demonstrates understanding of and respect for stakeholders' views 	<ul style="list-style-type: none"> Fosters enthusiasm and common purpose
	<ul style="list-style-type: none"> Follows through on commitments 	<ul style="list-style-type: none"> Follows through on commitments 	<ul style="list-style-type: none"> Follows through on commitments

	<ul style="list-style-type: none"> Communicates with clarity and commitment 	<ul style="list-style-type: none"> Communicates vision and division plans with clarity and commitment 	<ul style="list-style-type: none"> Communicates vision and information with clarity and commitment
	<ul style="list-style-type: none"> Establishes regular and comprehensive exchanges of ideas 	<ul style="list-style-type: none"> Establishes regular and comprehensive exchanges of ideas 	<ul style="list-style-type: none"> Manages relationships between stakeholders
	<ul style="list-style-type: none"> Solicits input from and listens to staff, partners, and stakeholders Mediates and facilitates relationships between supervisors 	<ul style="list-style-type: none"> Solicits input from and listens to staff, partners, and stakeholders Promotes and funds team building 	<ul style="list-style-type: none"> Solicits and listens to ideas and concerns of staff, unions, and other stakeholders
Action Management	<ul style="list-style-type: none"> Establishes unit targets for quality and productivity 	<ul style="list-style-type: none"> Designs division work plans based on the big picture 	<ul style="list-style-type: none"> Identifies and communicates priorities, milestones, timelines, performance measures, clear accountabilities, and performance agreements for Directors
	<ul style="list-style-type: none"> Identifies financial and human resources requirements 	<ul style="list-style-type: none"> Guides division projects and resources to avoid obstacles 	<ul style="list-style-type: none"> Coordinates and manages across multiple directorate programs and projects
	<ul style="list-style-type: none"> Assigns and reallocates resources, as required, and to capitalize on diversity 	<ul style="list-style-type: none"> Delegates appropriately to managers 	<ul style="list-style-type: none"> Ensures necessary resources, processes, and systems are in place
	<ul style="list-style-type: none"> Delegates 	<ul style="list-style-type: none"> Manages resources 	<ul style="list-style-type: none"> Develops process

	appropriately to supervisors	to maximize output	with management team to set priorities, make decisions
	<ul style="list-style-type: none"> Sets realistic timelines and clear accountabilities for supervisors 	<ul style="list-style-type: none"> Sets realistic timelines and clear accountabilities for managers 	
	<ul style="list-style-type: none"> Provides structure and momentum for unit projects 	<ul style="list-style-type: none"> Provides structure and momentum for division work activities 	
	<ul style="list-style-type: none"> Sets challenging but realistic goals 	<ul style="list-style-type: none"> Sets challenging but realistic goals 	
	<ul style="list-style-type: none"> Identifies unit limits and resource requirements for workload 	<ul style="list-style-type: none"> Identifies division limits and resource requirements for workload 	<ul style="list-style-type: none"> Performs risk analysis to assess viability of opportunities
	<ul style="list-style-type: none"> Manages unit workload through negotiating timelines, prudent resource planning and prioritizing 	<ul style="list-style-type: none"> Manages the division's workload through prudent resource planning and prioritizing 	
	<ul style="list-style-type: none"> Shifts priorities and adapts unit work plans, as required 	<ul style="list-style-type: none"> Shifts priorities and adapts division work plans, as required 	<ul style="list-style-type: none"> Coordinates activities within directorate to assign accountability and avoid duplication
	<ul style="list-style-type: none"> Manages activities on an ongoing basis 		
	<ul style="list-style-type: none"> Heeds early warning signals and advises the Director and others, as needed 	<ul style="list-style-type: none"> Heeds early warning signals and advises the DG and others, as needed 	<ul style="list-style-type: none"> Seeks and heeds early warning signs, adapting plans and strategies as required
	<ul style="list-style-type: none"> Follows through on the unit's business 	<ul style="list-style-type: none"> Follows through on the division's 	<ul style="list-style-type: none"> Follows through on the directorate's

	plan from planning, implementing, monitoring, and evaluating to reporting	business plan from planning, implementing, monitoring, and evaluating to reporting	business plan from planning, implementing, monitoring, and evaluating to reporting
	<ul style="list-style-type: none"> Integrates Comptrollership, MAF, federal legislation, regulations, and policies into unit practices 	<ul style="list-style-type: none"> Integrates Comptrollership, MAF, federal legislation, regulations, and policies into division practices 	<ul style="list-style-type: none"> Integrates Comptrollership, MAF, federal legislation, regulations, and policies into director practices
	<ul style="list-style-type: none"> Manages own and others' work-life balance 	<ul style="list-style-type: none"> Manages own and others' work-life balance 	<ul style="list-style-type: none"> Manages own and others' work-life balance
	<ul style="list-style-type: none"> Responds decisively and quickly to emerging opportunities or risks 	<ul style="list-style-type: none"> Responds decisively and quickly to emerging opportunities or risks 	<ul style="list-style-type: none"> Responds decisively and quickly to emerging opportunities or risks
	<ul style="list-style-type: none"> Maintains composure in adverse situations to alleviate pressure and maintain momentum Maintains composure in demanding or stressful situations 	<ul style="list-style-type: none"> Maintains composure in adverse situations to alleviate pressure and maintain momentum 	<ul style="list-style-type: none"> Maintains sound judgment and decision making in demanding or stressful situations
People Management	<ul style="list-style-type: none"> Works one-on-one with supervisors 	<ul style="list-style-type: none"> Works one-on-one with managers 	<ul style="list-style-type: none"> Sets clear expectations and provides clear direction
	<ul style="list-style-type: none"> Optimizes diversity among team members to build strong teams with complementary 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Implements HR strategy to ensure workforce capacity and diversity to meet current and future

	strengths		directorate needs
	<ul style="list-style-type: none"> • Supports and defends the interests of staff, as necessary and appropriate 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Recognizes and acknowledges good work
	<ul style="list-style-type: none"> • Deals with ineffective performance 	<ul style="list-style-type: none"> • Deals with ineffective performance 	
	<ul style="list-style-type: none"> • Provides regular feedback, acknowledges success and the need for improvement 	<ul style="list-style-type: none"> • Provides regular feedback, acknowledges success and the need for improvement 	<ul style="list-style-type: none"> • Provides honest, straightforward feedback and manages non-performance
	<ul style="list-style-type: none"> • Coaches, challenges, and provides opportunities for growth 	<ul style="list-style-type: none"> • Coaches, challenges, and provides opportunities for growth 	<ul style="list-style-type: none"> • Coaches, challenges, and provides opportunities for growth • Builds complementary teams • Acts as a role model for Directors
	<ul style="list-style-type: none"> • Resolves labour relations problems 	<ul style="list-style-type: none"> • Resolves labour relations problems 	
	<ul style="list-style-type: none"> • Secures mediation, if required 	<ul style="list-style-type: none"> • Secures mediation, if required 	
	<ul style="list-style-type: none"> • Balances the needs of employees and the organization 	<ul style="list-style-type: none"> • Balances the needs of employees and the organization 	
	<ul style="list-style-type: none"> • Monitors and addresses workplace well-being 	<ul style="list-style-type: none"> • Monitors and addresses workplace well-being 	<ul style="list-style-type: none"> • Develops strategies to reduce stress within the directorate
	<ul style="list-style-type: none"> • Develops and supports career plans and learning opportunities 	<ul style="list-style-type: none"> • Develops and supports career plans and learning opportunities 	

	<ul style="list-style-type: none"> Develops HR strategy for unit succession planning 	<ul style="list-style-type: none"> Develops an HR strategy for division succession planning 	
	<ul style="list-style-type: none"> Secures funding for OL and other training 	<ul style="list-style-type: none"> Secures funding for OL and other training 	<ul style="list-style-type: none"> Secures funding for OL and other training
	<ul style="list-style-type: none"> Implements rigorous HR practices and fulfils obligations of HRM accountabilities 	<ul style="list-style-type: none"> Implements rigorous HR practices and fulfils obligations of HRM accountabilities 	<ul style="list-style-type: none"> Implements rigorous HR practices and fulfils obligations of HRM accountabilities
		<ul style="list-style-type: none"> Manages workload 	<ul style="list-style-type: none"> Manages staff workload
Financial Management	<ul style="list-style-type: none"> Allocates and manages unit resources transparently 	<ul style="list-style-type: none"> Allocates and manages division resources transparently 	<ul style="list-style-type: none"> Allocates and manages directorate resources transparently
	<ul style="list-style-type: none"> Implements strategies to achieve operational efficiencies and value for money 	<ul style="list-style-type: none"> Implements strategies to achieve operational efficiencies and value for money 	<ul style="list-style-type: none"> Implements strategies to achieve operational efficiencies and value for money
	<ul style="list-style-type: none"> Applies and monitors rigorous systems for Financial Information Management, internal audit, and evaluation 	<ul style="list-style-type: none"> Applies and monitors rigorous systems for Financial Information Management, internal audit, and evaluation 	<ul style="list-style-type: none"> Operates and monitors rigorous systems for Financial Information Management, internal audit, and evaluation
	<ul style="list-style-type: none"> Fulfils obligations of accountabilities for unit finance and assets management 	<ul style="list-style-type: none"> Fulfils obligations of accountabilities for division finance and assets management 	<ul style="list-style-type: none"> Fulfils obligations of accountabilities for directorate finance and assets management
	<ul style="list-style-type: none"> Acts on audit, evaluation, and other objective unit 	<ul style="list-style-type: none"> Acts on audit, evaluation, and other objective division 	<ul style="list-style-type: none"> Acts on audit, evaluation, and other objective

	performance information	performance information	directorate performance information
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Appendix 2 – FI-04 Functional Competencies¹⁰⁸

FI Functional Competencies	FI-04
Accounting Operations	<ul style="list-style-type: none"> • Assesses and measures the effectiveness of accounting, reporting and internal control systems, processes, procedures, tools and techniques; • Anticipates the effect of new accounting principles and policies on the organization and assists in the transition; • Determines the feasibility and applicability of alternative accounting principles, practices, tools and techniques on departmental operations; • Designs, develops and implements departmental operational frameworks for the recording, monitoring and management of accounting activities (including audited financial statements); • Recommends creative and practical alternatives for continuous improvement of service delivery; • Advises on, and implements government-wide standards for control to promote a sound management framework; • Provides strategic advice to management on how to balance revenue-generation activities and the mandate of the organization; • Works with central agencies in identifying sources of funds and in eliminating barriers and irritants; • Consults with users during fee-setting exercises; • Provides liaison/support for financial audits and prepares appropriate management responses; and • Identifies areas of potential efficiencies/gains
Planning and Resource Management	<ul style="list-style-type: none"> • Anticipates the effect of new comptrollership practices on the organization; • Responsible for overall resource strategy including sources and mechanisms; • Implements complex financial and non-financial resource management strategies, using the organization's financial performance as key input; • Designs and leads the implementation of resource management strategies; • Collaborates with internal and external stakeholders to identify/ implement funding arrangements, partnering arrangements, eliminate barriers and irritants, and in the preparation and process of strategic decision-making documents (Treasury Board

¹⁰⁸ Treasury Board of Canada Secretariat, "Financial Officer (FI) Competency Profile – FI Functional Competencies," last accessed 4 May 2014, http://www.gcpeia.gc.ca/wiki/Financial_management_community.

	<p>Submissions, Memoranda to Cabinet, Orders in Council);</p> <ul style="list-style-type: none"> • Leads the development of operational and business plans and external reporting documents (Mains, Reports on Plans and Priorities, Departmental Performance Reports, Financial Statements, etc.); • Participates with senior management in strategic decision-making as a result of cost-accounting information; • Consults with users during fee-setting exercises; • Identifies and communicates areas of innovation/efficiency; • Supports Deputy Chief Financial Officer and engages community by providing a challenging and rewarding working environment (including training, coaching, mentoring, delegation, etc.); and • Supports Deputy Chief Financial Officer/ Chief Financial Officer by engaging and supporting team members in the provision of advice, guidance & delivery of financial services.
Financial Policy	<ul style="list-style-type: none"> • Resolves broad, complex issues involving legislation, policies, procedures and/or standards; • Demonstrates in-depth understanding of the most complex and less familiar aspects of legislation, and/or policies etc.; • Ensures departmental policy instruments reflect effective comptrollership, stewardship, risk management strategies and controls; • Acts as departmental liaison with central agencies on matters of policy interpretation and implementation; • Develop communication strategy for the implementation of policies, directives and guidelines; and • Analyzing and advising senior management on departmental implications of new or revised central agency policy.
Financial Systems	<ul style="list-style-type: none"> • Recommends creative and practical alternatives for continuous improvement of service delivery; • Leads multi-disciplinary teams (including specialized consultants); • Implements new or revised financial management systems and processes; • Assesses the potential impacts of technical solutions on the Department in terms of efficiencies introduced, manual processes eliminated, risks, benefits and cost and resource savings; • Ensures that financial management systems and procedures comply with legislation, policies and business requirements; • Provides strategic advice and guidance and makes recommendations to senior management on integrating financial management systems and business practices into financial management frameworks; • Integrates financial information as a strategic resource; • Communicates with internal and external stakeholders;

	<ul style="list-style-type: none">• Partners in developing the corporate technology strategy; and• Re-engineers business processes.
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