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**Canada's defence policy – Strong, Secure, Engaged – will provide Canada with an agile, multi-purpose combat-ready military, operated by highly trained, well-equipped women and men, secure in the knowledge that they have the full support of their government and their fellow Canadians**

Maj Robert Kelly

**JCSP 43 DL**

***Exercise Solo Flight***

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**PCEMI 43 AD**

***Exercice Solo Flight***

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CANADIAN FORCES COLLEGE – COLLÈGE DES FORCES CANADIENNES  
JCSP 43 DL – PCEMI 43 AD  
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EXERCISE *SOLO FLIGHT* – EXERCICE *SOLO FLIGHT*

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**“Canada’s defence policy – Strong, Secure, Engaged – will provide Canada with an agile, multi-purpose combat-ready military, operated by highly trained, well-equipped women and men, secure in the knowledge that they have the full support of their government and their fellow Canadians.”<sup>1</sup>**

This paper will argue that the current structure of Finance Officer career profiles requires a more functional rather than leadership focus. This will be illustrated through showing the benefits to both the Department of National Defence and the Canadian Armed Forces will come from both an educational investment in Professional Designations and further through secondment opportunities to other governmental departments. This additional study and inter-departmental experience will be offset by the removal of Finance Officers from the normal career progression streams of command and leadership. This essay will rationalize a change in the Finance Officers career structure to be more operationally focused at the tactical level and strategically more effective at the institutional level.

This will be achieved through a greater emphasis on functional policy and expertise development and improvement, a redesign of the Finance Officer career progression focusing on financial management expertise through secondment opportunities and through post-secondary education to attain professional accounting and financial management designations.

McConville argues that “Effective managers require skill and specialist (management) knowledge if they are to do their job well, if true value for money is to be achieved...(and)... public management practices must be open to scrutiny, and individuals must be held accountable

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<sup>1</sup> Canada, Department of National Defence. Strong Secure Engaged: Canada’s Defence Policy. 2017.

for their own actions as well as organizational outcomes.”<sup>2</sup> Therefore, if this is held to be true then the future training and career development of Finance Officers needs to be focused on the technical rather than the leadership skill sets required for an officer of this occupation.

Finance Officers are responsible for the basic financial support to Sea, Land and Air operations. This includes budget management, auditing of accounts, business plan development, managing Public revenue and accounts payable, the provision of compliance services, contributing to the operational planning process and over-seeing Non-Public funds accounting. In addition, DAOD 1000-5 sets out “... the following functional areas of financial management:

- a. financial management;
- b. financial policy;
- c. financial operations;
- d. internal and external financial reporting;
- e. f. costing;
- g. business intelligence;”<sup>3</sup>

This gives Finance Officers the responsibility for developing strategic financial strategies to ensure that business planning and resource management is optimized to maximize all efficiencies. To do this they must adhere to governmental policy and process to ensure the financial well-being of the organization. In the public sector with competing governmental priorities, strong fiscal management is key to any departments success.

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<sup>2</sup> McConville, Teri. “The Principles of Management Applied to the Defence Sector.” In *Managing Defence in a Democracy*. ed. by Laura R. Cleary and Teri McConville. London: Routledge, 2006, p 122.

<sup>3</sup> DAOD 1000-5, Policy Framework for Financial Management. 20 Jan 2017.

As outlined by Rostek, he notes in *The Public Management of Defence in Canada* “Change can affect five aspects of an organization: culture, structure, technology, physical setting, and people. Change management can be defined as the broad processes for managing organizational change. Change management encompasses planning, oversight or governance, project management, testing, and implementation.”<sup>4</sup> Although this paper will recommend some substantial changes to previous held career progression standards it is not suggesting that these will be quickly implemented. They will follow a phased approach that will include Awareness and Capability Planning. This phase will see a redevelopment of career progression through statistical study, communication with institutional and governmental experts, transparency to the Finance Officer community and the development of metrics designed to measure success. The second phase would see the Commitment and Adoption of the new policies followed by a Horizon Three timeline measurements of the metrics of success ie; greater accountability, increase in Professional Designations, successful cross pollination within organizations etc.

Logistics is a broad spectrum trade, therefore, there are various academically acceptable degrees within the current entry standard. Finance, Commerce, Economics, Accounting, and Business Administration are preferred Baccalaureate degrees for Finance Officers to enable them to move to Professional Designations (Certified Management Accountant, Certified Professional Accountant, Masters of Accounting etc) that require these pre-requisites.

The current reality is that members with finance specific degrees are not always selected to the finance specialty, moreover, there is no current mandate within the occupation that Finance Officers must possess these Professional Designations. Further, there is no current Development Period 3 level finance training and there are only limited sponsored professional

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<sup>4</sup> Stone, J.C. *The Public Management of Defence in Canada*. Toronto, ON: Breakout Press. 2009, p214.

development opportunities in key areas of the career cycle. Therefore the finance community needs to be more focused on the attainment of Professional Designations and finance specific Post-Graduate studies.

	Air	Land	Sea
DP 4 (Capt(N)/Col)	NSP		
DP 3 (LCdr/Maj - Cdr/LCol)	JCSP		
	<b>Post-Grad/Professional Designation (M Acct, CPA)</b>		
	ALOC		
DP 2 (Lt(N)/Capt)	<b>Fin Management</b>	AOC	<b>Fin Management</b>
	APOC		HoD
	AFOD 4/5	<b>Fin Management</b>	
SLt/Lt	AFOD 2/3	ATOC AJOSQ	NLO - Shipboard
DP 1 (OCdt-2Lt)	AFOD 1	LOCL	NLO - Ashore
	LOCA		
	<b>Fin Svcs</b>		<b>Fin Svcs</b> Sup
	Logistics Officer Common (LOCC)		
		CAP	MARS II
	BMOQ		
Table 1			

The current Finance Officer career progression sees a greater emphasis on leadership courses rather than professional training. The courses highlighted within Table 1 are suggested rather than mandated. Therefore it is foreseeable that a Finance Officer can pass an entire career without any additional professional training outside of their initial Financial services training within Development Period 1.

Leadership career and course requirements for career progression reduces opportunities for specialized expertise growth and experience. In addition, operational requirements, career

courses and time spent in command positions currently limit the personal resources available over what could lengthy periods of study.

Logistics command positions do not need to include opportunities for Finance Officers. Finance Officer's focus needs to be on the management of resources as a priority. The finance specialty operates within a technically-oriented domain. As such there is a strong desire from both the officers within the specialty and the employers of Finance Officers to increase the technical expertise through professional development opportunities. This emphasis on technical competence will improve the specialty as a whole and provide greater benefits to the organization than attaining all the "key" command billets. There is the argument that this may undermine the ability of Finance Officers to contribute in a military environment. The civilianization of finance functions within the institution, such as auditing, could cause force generation issues due to skill fade and/or lack of skill development opportunities.

This could, then, result in an increased risk of failure in generating financially capable officers for support to domestic and deployed operations. However, through proactive occupational management and a clear mandate that technical not command experience is the primary trait sought in Finance Officers then the risk can be mitigated.

Institutional change requirements - Three Canadian School of Public Service courses should become mandatory within Finance Officer professional development, Financial Management Control Frameworks, Government Planning, Budgeting, Reporting and Evaluation Cycle and Financial Management Systems. This would, in conjunction with a Master of Accounting or CPA designation, align military Finance Officers with their civilian counterparts. If the CPA designation for example becomes mandatory for Finance Officers, the length of time to complete a CPA through distance learning could be a factor for those Finance Officers not

enrolled in the sponsored programs. These factors can include limited time outside of standard work hours to complete studies, family commitments and additional military secondary duties.

Posns / Lv	DG FIN MGT ★
DP 4	J8, Compt
DP 3	TB Exp,
	Corp Staff
	CPA, M Acct
	Joint Command and Staff Program (JCSP)
	ALOC
DP 2	FIN M
	Specialty-Specific Qualifications and/or Secondary Specialty
	Environmental Training
DP 1	BMOQ / LOCC / LOC(S/L/A) / PLF
Table 2	

The RAND Corporation found in its Career Development for the United States Department of Defence study that it was able to “...identify key competencies required and potential job families, and assess the level of experience that it might be possible to require of incumbents at various stages in their careers.”<sup>5</sup> If the institution seeks to have the most effective Finance Officers there needs to be a reformation of the Finance Officers career progression as proposed in Table 2. The organization needs to better evaluate the benefits of professional certification and education.

There are currently a limited number of Post-Graduate opportunities for Finance Officers and they are very competitive. These will include the evolution of critical professional competencies and professional development and growth, better mentoring of new Finance

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<sup>5</sup> Marke, M. Wadel, Marquis, Jefferson P., Career Development for the Department of Defense Security Cooperation Workforce. RAND Corporation. 2018, p 15.



Officers by competent civil and publicly recognized financial experts and give greater credibility to the organization within the Government of Canada in-line with other governmental departments.

It will require greater emphasis on education and experience. It will be separate from and unique to the Canadian Armed Forces standard career path as many non-finance focused courses will be eliminated to provide secondment opportunities to gain greater experience and educational and it will include periods in which a Finance Officer will gain Post-Secondary education along with professional designations.

Secondments offer Finance Officers the ability to better expand experiential knowledge and expertise “Good secondments also only happen when there is a long-term perspective taken by all involved. The skills acquired – either understanding of business or of government – are applied throughout the remainder of a career...(and) a good secondment brings real long-term gains. For the individual, a wider perspective, new learning from a different environment and fresh knowledge”<sup>6</sup> Both the United Kingdom and the United States militaries have recognized the benefits of secondment opportunities in the areas of both finance and procurement. It provides for greater efficiencies in maximizing fiscal resources.

When determining the type/style of secondment it is important to recognize which will be the most effective. There are basically 5 main types of secondments, each of which can be used to achieve different objectives and satisfy different requirements. However, for defence or governmental exchanges the following two types are key to Finance Officer skill development:

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<sup>6</sup> Gibson, Mark. “What I Learned from my Civil Service Secondment to the Private Sector.” The Guardian 23 Jul 2013.

1. Developmental secondments - Initiated to develop an individual's skills in specific areas in order to enhance their career development.
2. Strategic secondments - The "loaning" out of specialist skills to assist other departments/organizations who possess a shortfall of knowledge/skills in specific areas, usually a short term process.”<sup>7</sup>

The Canadian Armed Forces would best engage in both types to primarily better develop it's Finance Officers but would also benefit from any reciprocal exchanges with other governmental departments and the different knowledge base and experiences an external financial manager would bring.

Within Academia, surrounding developing business concepts, secondments both within and without of organizations is growing and both civilian and governmental employers are seeing benefits to these opportunities. The Harvard Business Review identifies that “The number of short-term assignments in companies has been increasing, and the trend is expected to continue. Within large corporations, secondments, short-term transfers, and functional or geographic management rotation programs often thrust full-time employees into short-term jobs...For individuals who take advantage of them, these positions can be rewarding development opportunities. These workers are rapidly introduced to new geographies, functions, and cultures. They meet new colleagues from whom they can learn and with whom they can connect.”<sup>8</sup>

These benefits can greatly enhance fiscal planning and management within the military.

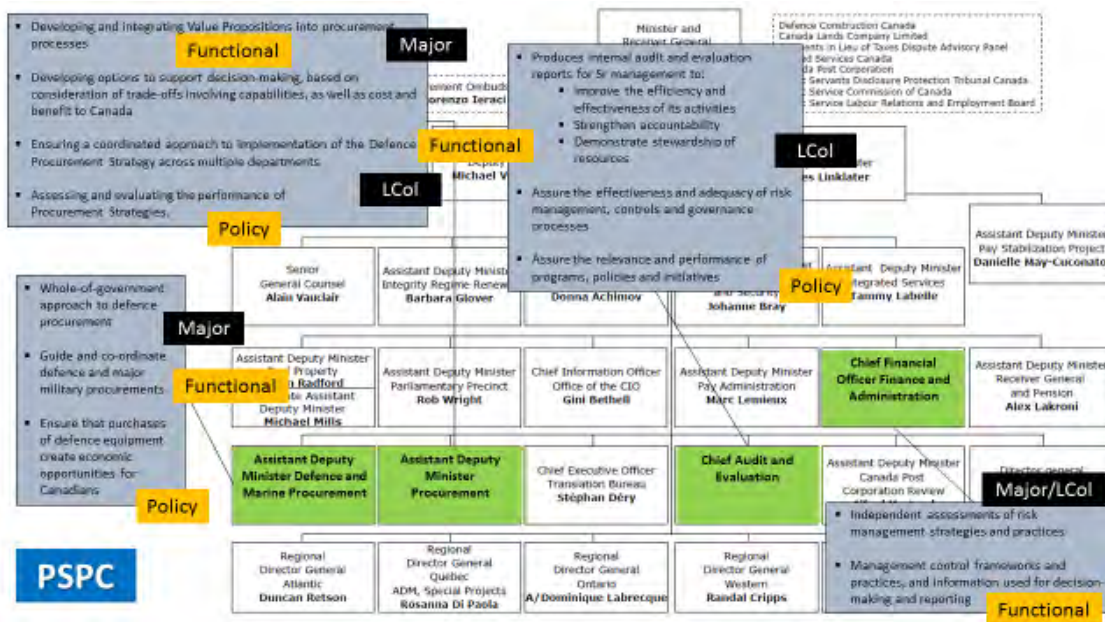
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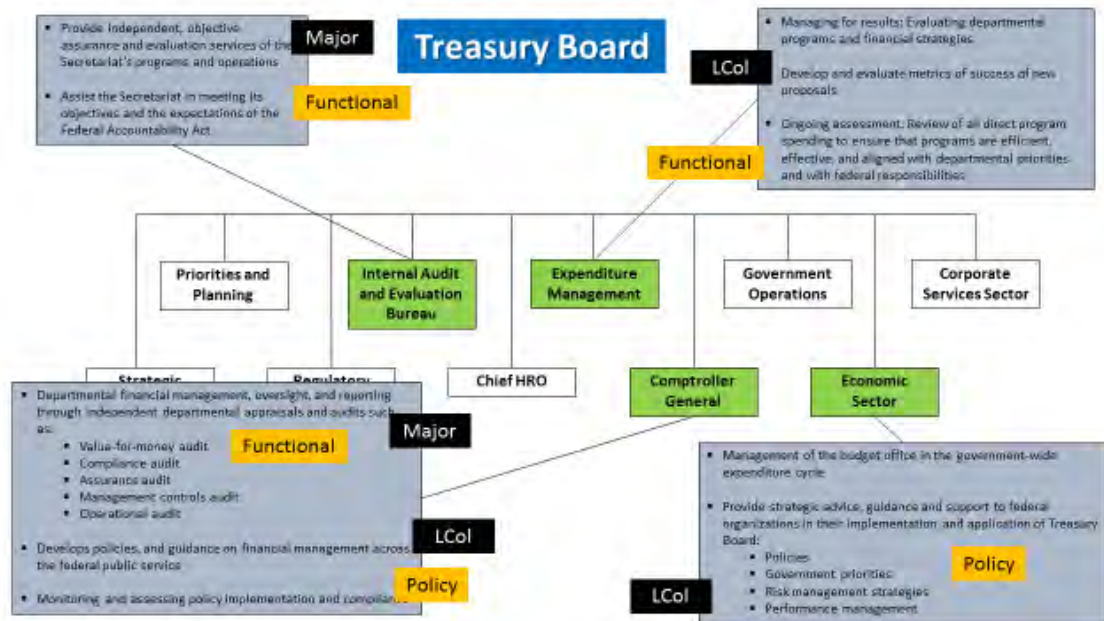
<sup>7</sup> <http://www.secondments.com/Secondment1.html>

<sup>8</sup> <https://hbr.org/2016/07/maximize-your-learning-in-short-term-assignments>

Junior Finance Officers should first be posted into environmental positions in order to gain the requisite experience both as a Public Funds Accounting Officer, unit Financial Officer as well as experience working within the Base/Wing Comptroller Organisations. This will ensure that operational, tactical and, if possible, deployed levels of knowledge build upon the foundation provided by their training to prepare them for greater levels of financial stewardship within the institutional portion of the Canadian Armed Forces as well as the Department of National Defence.

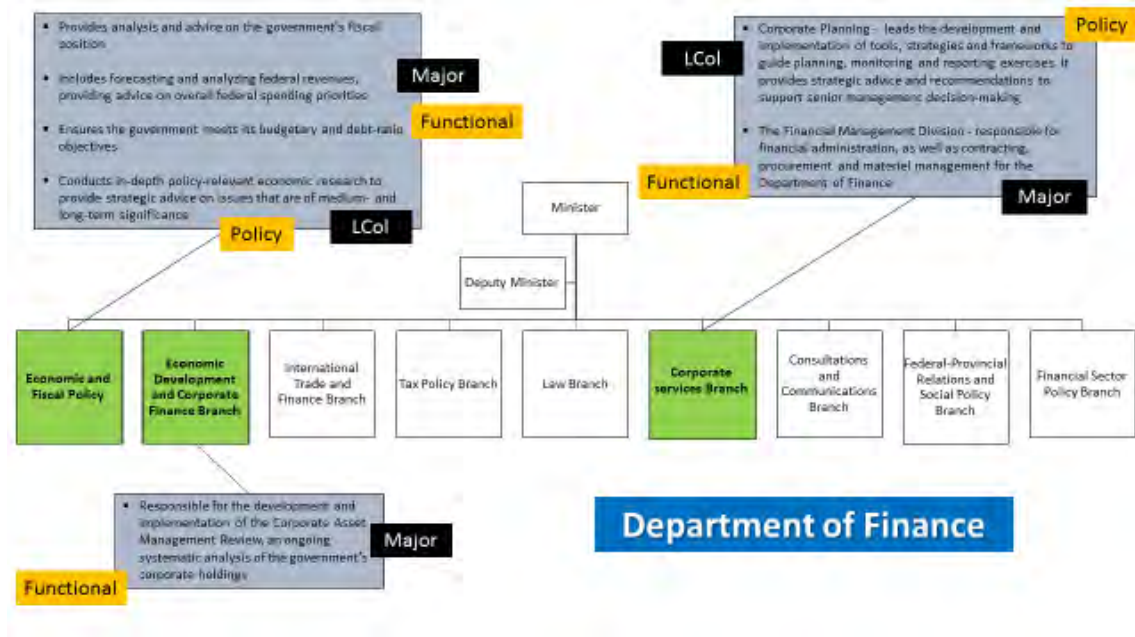
It is important to ensure that senior Finance Officers employed in the Joint/Corporate domain return to their environments in order to develop experienced intermediate leaders with the right foundations to become deputy strategic financial managers of the institution, not only within the environments but also within the Department of Defence. This will, in turn, benefit the institution as well as the specialty by increasing strong leadership within the entire trade. This needs to be taken a step further and see formalized secondments (as outlined in Table 2) to other governmental organizations.





In reviewing the organizational structures of the Treasury Board Secretariat, the Department of Finance and Public Services and Procurement Canada, there are two main types of secondment opportunities that will best serve Finance Officer development. The following three Figures outline the areas best suited for Finance Officers to gain experience and new skill sets within the areas of Policy and Function. These are Policy based secondments and Function based Secondments. Policy based positions will better provide experiential learning for Senior Officers (LCol) within the realm of policy development, policy review and policy engagement. By being immersed within another department (each of which have more stringent educational and professional requirements) military Finance Officers will gain experience in this area and be able to better the institution post-secondment by bringing new and more effective policy options. At the Functional level once a Finance Officer has completed post-secondary education or gained a professional designation the the functions of business planning, auditing, budget management will be improved by both the additional experience and education. By utilizing both policy and functional positions Finance Officers will better expand on the additional post-

secondary education gained, understand the internal organizations and policies of the three critical federal departments most influential on defence finance decision making processes and build inter-departmental relationships in both areas of fiscal management.



Defence funding is complicated at best and fickle at worst. Sound effective, programmed and efficiently managed defence spending is critical with the Canadian Armed Forces “At \$25.5 billion, forecasted direct-program expenditures by National Defence will clock in at more than the next two departments—Indigenous Services Canada and the Canada Revenue Agency, which were both forecasted to spend \$11.0 billion—combined...[and]... the lack of new spending in the new budget means DND will have to make economical choices for interim replacements for worn-out ships, aircraft and vehicles.”<sup>9</sup> Perry describes numerous budgetary issues and concerns since the release of the Canada First Defence Strategy. Critically is the continued un-planned/managed under and over spending of Vote 5 funds as “...since 2007/2008 under-spending of the available Vote 5 authorities alone has ranged from a low of eight percent to a

<sup>9</sup> <https://www.macleans.ca/opinion/whats-happening-to-canadas-defence-spending/>

high of 28 percent”<sup>10</sup> In addition, the Treasury Board is seeking to create better efficiencies across all governmental departments including the Department of National Defence. These seek, through the Financial Management Transformation to “Streamline and automate routine transactions; integrate information and processes across functional boundaries. Redirect resources to higher value services and increase overall value provided to the business.”<sup>11</sup>

The experience and education required to conduct sound financial management at the institutional and strategic level is not gained through initial training but rather it is found through gradual experience based upon a foundation of increasing levels of education and training. Not through intermediate leadership training or command positions. Having the required skills to maintain strategic pace with whole of government financial transformation needs to be formalized, structured, coordinated and managed to ensure the best return on investment for the Canadian Armed Forces.

In conclusion, there has been progress in the development of specialty specific, task related training for the finance specialty. Continued study needs to occur to assess the impact to Finance Officers of reducing command opportunities. However, the educated and experiential technical expertise gained through continual education, Professional Designations and secondment opportunities will heighten the level of competency and further serve to better financial management within the entire organization.

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<sup>10</sup> Perry, David. “A Primer on Recent Canadian Defence Budgeting Trends and Implications.” In School of Public Policy, Calgary, vol 8, issue 15, April 2015, p 5.

<sup>11</sup> Smith, Sharon. Financial Management in the Government of Canada. Presentation to Edmonton and Vancouver FMI Chapters.” Office of the Comptroller General, TBS, October 29 and 30, 2013.

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