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RELEASE BY THE HOUSE
ARMED SERVICES COMMITTEE**

STATEMENT OF

THE HONORABLE GLADYS J. COMMONS

**ASSISTANT SECRETARY OF THE NAVY
(FINANCIAL MANAGEMENT AND COMPTROLLER)**

BEFORE THE

**DEFENSE FINANCIAL MANAGEMENT AND AUDITABILITY
REFORM PANEL**

OF THE

HOUSE ARMED SERVICES COMMITTEE

ON

**IS THE FINANCIAL MANAGEMENT WORKFORCE POSITIONED
TO ACHIEVE DOD'S FINANCIAL IMPROVEMENT GOALS?**

06 OCTOBER 2011

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Chairman Conaway, Representative Andrews, members of the Panel, thank you for the opportunity to discuss the Department of the Navy's financial management workforce, in general and specifically associated with achieving financial improvement goals. Improving financial and other business processes will lead to financial auditability, one of my highest priorities for which I am personally committed to attaining. One of the key components in achieving the financial improvement goals is our people. I believe that the Department has a highly professional and well trained financial management workforce, a cadre of over 9,000 civilian and military members. These include men and women who are dedicated to building, justifying, and executing budgets, accountants and financial managers who manage the fiduciary aspects of funding entrusted to the Department, as well as our auditors who are our partners on the road to auditability. Financial management functions are performed on a daily basis at bases and stations around the world while at the same time ensuring that our warfighters receive the necessary support to perform their mission.

Maintaining a skilled workforce is certainly key to achieving auditability. The Department has implemented a number of efforts over the last several years to help in this endeavor.

Recognizing that we could no longer have people in stove-piped positions, in 2006 a series alignment was implemented that broadened the scope of a number of our professional and technician positions. Positions that were once solely responsible for budget analysis are now financial management analysts, responsible to understand budget, accounting systems and other financial management aspects. Likewise, technicians that were specialized in military or civilian pay, or voucher or cash processing were reclassified to financial technicians. This effort was a first step in broadening the knowledge base of our workforce. After allowing the alignment effort to solidify, in January 2009 career roadmaps were issued. The roadmaps are by job series

and include technical competencies, leadership and business acumen skills, education and training courses and experience requirements associated with entry, journey and expert positions. These roadmaps are used by supervisors and employees to build Individual Development Plans to ensure continued development of our workforce.

Although these roadmaps are a sound foundation, as with all things, there is always room for improvement. Gaining knowledge on the steps to auditability, spreading the word on the value of standardized processes, and sharing lessons learned have all been significant topics at the Department's annual Financial Improvement Program seminars. Additionally, understanding the value proposition of audit readiness is a business and financial management culture change. To address this aspect the Department has two specific initiatives for FY 2012. First, we asked the Naval Postgraduate School to prepare an audit readiness course that will be taught for the first time at our Navy and Marine Corps geographic hubs. One instructor will travel to the sites, thereby avoiding travel costs of participants and efficiently delivering the training. This effort will then be followed by training that DoD's Financial Improvement and Audit Readiness team will deliver. The second effort will widen the circle of accountability for audit readiness by making goals a part of Senior Executive performance plans. By bringing leadership attention to the financial auditability awareness will be cascaded down to the workforce and increase the momentum. Additionally, as identified in a Secretary of the Navy instruction, all budget submitting office comptrollers are officially assigned additional duty to my position. As such, I have access to these professionals to ensure the Department's goals are clearly understood.

While continuing to pursue opportunities to educate and train the workforce, it is just as important to ensure that the financial management community is properly sized to perform all of our missions. The capitalization of most of our accounting and finance workforce in 1991 under

the Defense Finance and Accounting Service (DFAS) eroded some of the Department of the Navy's expertise. While we retained fiduciary responsibility, DFAS provides the vast majority of our accounting support. We must work in tandem to achieve auditability. We have defined responsibilities and timelines and are working very closely with the DFAS staff. For over ten years now we have been relying on the expertise of contractor support to help us perform certain functions. Although the contractors are valued partners, to be successful in our endeavors, we need to have some of these functions performed by government employees. As such, we have reversed some of the dependence on contractor support for key oversight functions by insourcing those positions. At this time, I believe that between our civilians, military and contractor support we are properly sized. I will be watching closely the effects of future budget cuts on our financial workforce and am implementing procedures for our commands to notify me if significant adjustments are proposed.

Just as I am committed to achieving audit readiness, so too is the Department's leadership. I continuously communicate with the senior leaders of the Department's financial management workforce, asking for their assessment of gaps and areas that can be improved. One future improvement will be the financial management certification program being developed by DoD. It has been shared with our senior leaders and will only serve to further strengthen and professionalize the community. I look forward to working with the members of the Panel and others in continuing the effort to ensure our workforce is postured for the future. I will be pleased to answer any questions you might have.