

Statement of

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before the

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Panel on Defense Financial Management
and Auditability Reform

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Chairman Conaway, Congressman Andrews and Members of the Panel, thank you for the invitation to testify today about the Air Force financial management workforce – officers, enlisted, and civilians. As the Assistant Secretary for Financial Management, it's ultimately my job to make sure that the Air Force has the right people with the right financial skills to help the Secretary and Chief of Staff build and maintain a force that can *Fly, Fight, and Win*. At a time when resources are tight, it is all the more important that we get the most out of those talented people – over 8,200 civilians, over 900 officers, and almost 3,800 enlisted members who are Air Force financial managers. Only through their full contributions can we get the maximum combat capability out of every taxpayer dollar entrusted to us. Strengthening our workforce is a vital part of that effort.

While this panel was created to focus on helping the Department of Defense achieve audit readiness, a clean audit is a means to the broader end of efficient and effective management of taxpayer dollars, so it's important to understand the depth and breadth of Air Force financial management activities and how they work together to advance this goal. Not every financial manager in the Air Force is an accountant or a budget officer. Cost analysts and many acquisition program control officers are included as part of the financial management workforce, as are auditors and many others.

Our responsibilities begin during the development of the Program Objective Memorandum, where financial managers are responsible for ensuring we have good cost estimates for major weapon systems and programs. The Air Force has increased

the percentage of assessments performed on our investment accounts by fifty percent in the last three years due to investments to our cost estimating workforce. These assessments help senior leaders make informed decisions on how to allocate scarce investment dollars. Our cost analyst workforce is one of the best educated parts of the FM community (about two-thirds hold masters degrees), and they comply with robust training standards and certifications under the Defense Acquisition Workforce Improvement Act.

Moving through the budget process, our core budget staff formulate, execute and reconcile all appropriated funds each year. They enforce financial policy and advise commanders on how to maximize every available resource. Budget analysts in the field have the training, skills, and resources to provide thorough decision support analysis to senior leadership. Applying proper fiscal law and funds control, budget analysts track funding from beginning to end each fiscal year, ensuring taxpayer dollars are spent properly. Our budget analysts know the details of the budget and accounting systems and make sure those systems accurately represent where each dollar is spent. Their efforts ultimately provide commanders at all levels within the Air Force the information they need for sound decision making.

Air Force financial managers also provide a range of services that directly support Airmen, many of which are also central to audit readiness. Our technicians at the Air Force Financial Services Center handle over 41,000 travel vouchers monthly, ensuring accurate and timely reimbursements to our Airmen. Accounting and finance professionals at the Air Force Accounting and Finance Office ensure policies issued to

base level comptrollers balance efficiency and control and are consistent with DoD, Treasury Department and Office of Management and Budget guidance. Financial managers also manage the financial systems that support day-to-day operations, ensuring they comply with the DoD enterprise architecture and other related requirements such as the Federal Information Systems Controls Audit Manual, DoD Information Assurance Certification and Accreditation Process, and the Standard Financial Information Structure. We also prepare the quarterly and annual financial statements, manage the Internal Control Program, and serve as the Air Force liaison to outside audit agencies.

Our financial management workforce has and will continue to rely upon the support and collaboration of the members of the Air Force Audit Agency (AFAA) to achieve auditability. Specifically, AFAA has dedicated approximately 40 senior audit management personnel to support the audit readiness effort. An additional 80 field level auditors employed to execute Air Force-wide audits of financial management controls, to assess systems and financial statement items. These individuals provide the professional auditor viewpoint to our financial improvement efforts and are critical members of our team and efforts to achieve overall success in obtaining auditable financial statements by 2017. All of the AFAA personnel hold at least a Bachelors degree, with the senior members having advanced degrees in accounting. The majority possess professional certifications like the CPA and CIA designations.

Our intensified focus on auditability is also reflected in changes in what we teach and how we teach our workforce. Financial managers are learning about new

Enterprise Resource Planning systems, what they are designed to do and how to work within them. Moving from primarily a bookkeeping system to a financial system that can produce auditable financial statements is a major culture change for much of our workforce. For pilot users of the Defense Enterprise Accounting Management System (DEAMS) at Scott AFB, the program office provides on-site support and training classes. We are working to get ahead of the Enterprise Resource Planning deployments and retooling the workforce. For example, just this year we changed 40 percent of enlisted schoolhouse curriculum, shifting emphasis from traditional manual transaction processing to commercial accounting and cost fundamentals, preparing our community for future responsibilities and expectations. I appreciate the leadership of Chief Master Sergeant Jesse Stirling and his team in pushing this effort.

Audit readiness also depends on many outside of the traditional FM areas of responsibility. Military and civilian payroll are driven by actions handled by Air Force personnel specialists. Similarly, our acquisition workforce obligates funds for new weapon systems and service contracts and logisticians manage assets for use throughout the world. Our FM team is working with leaders in these and other areas to make audit readiness a priority.

Every Air Force financial manager – officer, enlisted, civilian – is a valuable resource. As the functional authority, I am responsible for ensuring that our entire financial management workforce has the appropriate educational and training resources to succeed in providing decision support to commanders at all levels. The FM workforce is already a well educated workforce. Over sixty percent of Air Force

financial managers hold a degree of some sort. Additionally, our primary audit readiness workforce of almost 80 includes 12 CPAs, 15 Certified Defense Financial Managers, and 8 Certified Government Financial Managers. Even with a well-educated force, we can never be satisfied that it's enough. It is critical that we focus on getting our workforce the appropriate education and training as we work towards audit readiness.

Starting with initial entry into the Air Force, all financial managers, officers, enlisted and civilian, get some structured, competency based technical financial management training. This is followed by a wide range of professional training, from computer-based courses to possible attendance at our joint comptroller school. We offer tuition assistance for our members to help pay for relevant college courses, often leading to earning a Bachelor's or Master's degree. In addition, many of our financial managers work to develop their leadership and managerial competencies, and we offer opportunities to take courses both in residence and by computer-based training.

Earlier this year, my office published the fourth edition of the FM Force Development Primer. This primer is a key source for all FM Airmen to find the right mix of career development, training opportunities, and experience needed for future FM missions. The primer provides a focus for all financial managers to build and follow their individual development plans. We actively manage our workforce so they can perform at their highest potential. Our senior career civilian and senior officer co-chair the Financial Management Development Team, which meets three times a year to vector top performing civilians, officers, and enlisted Airmen for leadership assignments

and other key positions. Our Major Command comptrollers and joint partners are part of this team, so we can reach every Air Force financial manager world-wide.

As we work to strengthen our FM workforce, we must remain focused on supporting the warfighter. Today, almost 260 Air Force financial managers are deployed throughout the world, including several civilians. They are performing a myriad of resource contingency operations management functions, including budgeting and disbursing. Fully trained financial management Airmen serve side-by-side with Soldiers, Sailors, and Marines in Iraq and Afghanistan, and other locations around the world. Before any deployment, Airmen receive full-spectrum contingency comptroller training, running the gamut from initial disaster relief response to enduring, sustained operations, through exit procedures, once a mission is complete. Financial managers also respond to emergency situations, including providing resources for relief supplies and transportation for military families after the earthquake and tsunami in Japan.

The Air Force's financial management workforce is leading the way as we continue to work towards audit readiness. We keep our focus on auditability while supporting the warfighter by providing world-class decision support with the best trained financial management workforce.