

Statement of

The Honorable Mary Sally Matiella  
Assistant Secretary of the Army for Financial Management and Comptroller

before the

House Committee on Armed Services

Panel on Defense Financial Management  
and Auditability Reform

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Congressman Conaway, Congressman Andrews, Members of the Panel, thank you for the opportunity to testify regarding the Army's financial management workforce. Secretary of the Army John McHugh, the Army Chief of Staff Odierno, Under Secretary Dr. Westphal, the Army's Chief Management Officer (CMO), and I are committed to ensuring we have an appropriate number of personnel across all functional areas, including financial management, with the skills and qualifications to improve the Army's financial management efforts and meet our auditability requirements.

The Army employs extremely hard working individuals, both Military and Civilian, committed to supporting the Soldiers defending our Country. The improvements we are implementing will require our dedicated Soldiers and civilians to execute their business differently. In requiring our workforce to adjust to a new operating environment, we must fulfill our obligation of providing them the resources to do so successfully.

I agree with and support Under Secretary of Defense (Comptroller) Hale's recommendation to develop a training and experience-based certification program for our financial managers. This will help the Army build the corporate knowledge needed to meet and sustain an auditable business environment. I look forward to working with Mr. Hale in establishing this program and guiding the more than 13,000 Soldiers and civilians engaged in Army financial management functions through this certification process.

In addition to obtaining appropriate certifications, the financial management work force must focus less on transaction processing and become more proficient in analyzing business events and outcomes to determine the best application of our financial resources. The

analytical ability to transform business data into actionable information requires a comprehensive understanding of the Army's end-to-end business processes. To achieve that understanding, we conducted an initial financial management workforce functional review under the direction of the Vice Chief of Staff of the Army, which is part of a greater Army effort to see ourselves at a detailed level across the Army. This review assessed workforce functional capabilities and identified functional scope, potential redundancies and efficiencies to be gained. We intend to use this information to inform the next review which will be focused on new business processes as the Army's new financial enterprise resource planning systems are more broadly fielded across our commands.

The Army is leveraging enterprise resource planning systems to transform business processes, and the skills of personnel across multiple organizations. For example, the General Fund Enterprise Business System (GFEBS), the Army general fund's primary business system, requires personnel to obtain proficiency in skills not previously required in the legacy operating environment. Many of the more than 70,000 eventual users of GFEBS will not reside in the Army financial management community. The large majority of users operate within the acquisition, logistics, public works, and property management functions. This is a critical point for all our leaders, the largest group of users affecting the Army's financial information and auditability will fall outside of financial or resource management organizations.

At the direction of the Under Secretary of the Army, we have an enterprise wide effort to transform our workforce. Transformation in the Army must include the Civilian workforce that fills the institutional side of the Army. The Army G-1, in coordination with the Assistant Secretary of the Army for Manpower and Reserve Affairs and other Department of the

Army staff elements, developed a comprehensive, integrated plan to address long-standing challenges to the Civilian workforce. One of the outcomes of this effort is the Civilian Workforce Transformation Strategy (CWT).

The Civilian Workforce Transformation Strategy will, when fully implemented, institutionalize human capital resource allocations and result in four major outcomes. Civilian Workforce Transformation will implement an enterprise Civilian requirements generation process; dramatically improve the management architecture of the Civilian workforce; ensure the most effective and efficient use of the multi-sector workforce; and enhance the Army's ability to meet its goals and missions through greater investments in its Civilian employee professional development.

The financial management workforce functional review will support the overall Army Civilian Workforce Transformation Strategy by capturing existing critical skills and competencies in the Army's civilian workforce. It will also identify future critical skills and competencies needed over the next decade, and expose any potential gaps in the existing or future critical skills and competencies needed by the workforce.

In summary, I recognize the importance of having a competent workforce that will enable achieving and sustaining audit readiness within the Army. I also want to reiterate that achieving and sustaining an auditable organization requires competent and trained personnel from across the enterprise; the financial management community alone cannot meet this requirement. Fortunately, Secretary McHugh and Under Secretary Dr. Westphal recognize this reality and are working to ensure all personnel across the Army are capable of and held accountable for supporting audit readiness efforts. We are making great progress because of

the commitment from senior Army leaders and business process owners. I am personally committed to this effort to meet our national security objectives and the mandates of the law. I look forward to working with the members of this Panel, GAO, and Comptroller Hale to ensure the continued improvement of the Army's business environment.