

Public Health Financial Management Competencies

Peggy A. Honoré and Julia F. Costich

The absence of appropriate financial management competencies has impeded progress in advancing the field of public health finance. It also inhibits the ability to professionalize this sector of the workforce. Financial managers should play a critical role by providing information relevant to decision making. The lack of fundamental financial management knowledge and skills is a barrier to fulfilling this role. A national expert committee was convened to examine this issue. The committee reviewed standards related to financial and business management practices within public health and closely related areas. Alignments were made with national standards such as those established for government chief financial officers. On the basis of this analysis, a comprehensive set of public health financial management competencies was identified and examined further by a review panel. At a minimum, the competencies can be used to define job descriptions, assess job performance, identify critical gaps in financial analysis, create career paths, and design educational programs.

KEY WORDS: competency, management, public health competencies, public health finance, workforce

The cornerstone of a profession is an adequately skilled workforce. The alignment of workforce competencies with professional responsibilities is a strategy associated with increasing organizational effectiveness.¹ A *competency* can be defined as a set of knowledge, skills, and abilities needed to accomplish a specified task.² A *deficiency* in public health is the lack of adequately documented competencies for the public health financial management workforce.^{3,4}

The movement to develop a field of study in public health finance has progressed in recent years. The *field* is defined as one that “examines the acquisi-

tion, utilization, and management of resources for the delivery of public health functions and the impact of those resources on population health and the public health system.”^{3(p90)} The multidisciplinary efforts of researchers and practitioners have contributed to this movement by increasing literature on public health finance, creating venues for structured dialogue, and contributing to evidence-based decision making through research. Stimulated by this movement has been the realization that standard financial analysis techniques are absent in public health and that an adequately skilled workforce is needed to implement such practices.^{4,5} As an example, questions proliferate about the variation of public health funding among jurisdictions and the value of public health services. But examinations are stymied by the lack of reliable financial data and the inability to perform financial analysis that is routinely conducted by skilled financial managers in hospitals, community health centers, and other related organizations.

● Workforce Competencies

Recent critical examinations of the public health workforce have resulted in a considerable amount of attention to competencies.^{4,6-9} The Association of Schools of Public Health (ASPH) and Council on Linkages Between Academia and Public Health Practice (Council on Linkages) have been diligent in addressing these issues. The ASPH and Council on Linkages have identified competencies for master of public health students

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TABLE 1 ● ASPH discipline-specific competencies

Domain: health policy and management

Competencies: Upon graduation, a student with an MPH should be able to . . .

- Identify the main components and issues of the organization, financing, and delivery of health services and public health systems in the United States^a
- Describe the legal and ethical bases of public health and health services
- Explain methods of ensuring community health safety and preparedness
- Discuss the policy process for improving the health status of populations
- Apply the principles of program planning, development, budgeting, management, and evaluation in organizational and community initiatives^a
- Apply principles of strategic planning and marketing to public health
- Apply quality and performance improvement concepts to address organizational performance issues
- Apply “systems thinking” for resolving organizational problems
- Communicate health policy and management issues using appropriate channels and technologies^a
- Demonstrate leadership skills for building partnerships

^a Finance-related competency.

and the broadly defined public health workforce.^{10,11} The ASPH competencies include two distinct categories of competencies—*discipline-specific* and *interdisciplinary/crosscutting*. Three of the 10 competencies under the discipline-specific domain of *Health Policy and Management* focus on financing, budgeting, and management (Table 1).¹⁰ Of the 60 interdisciplinary/crosscutting competencies categorized into six domains, four relate directly or indirectly to finance (Table 2). Core competencies for public health professionals developed in 2001 by the Council on Linkages identified *Financial Planning and Management Skills* as one of eight domains (Table 3),¹¹ but competencies under that domain focus primarily on the budgeting process. In economic and financial terms, budgeting is not considered a function for building assets but rather one for forecasting and itemizing funds. In contrast, financial and economic analyses are important tools for comprehensive examinations of financial performance. Such knowledge is invaluable to generate new and diversify the existing revenue streams and for building organizational monetary value (asset generation). The Council on Linkages 2008 list of draft competencies remains heavily focused on the budgeting function.¹² The ASPH and Council on Linkages competencies are of significant value to public health. However, since they were not developed to be discipline specific, a major gap remains in the availability of sufficiently detailed com-

TABLE 2 ● ASPH interdisciplinary/crosscutting domains and competencies related to finance

Domain: Communication and informatics

- Use information technology to access, evaluate, and interpret public health data

Domain: Program planning

- In collaboration with others, prioritize individual, organizational, community concerns, and resources for public health programs
- Prepare a program budget with justification

Domain: Systems thinking

- Analyze efforts of political, social, and economic policies on public health systems at the local, state, national, and international levels

petencies to guide position responsibility or job performance assessments of the public health financial management workforce.

● Competency Identification Methodology

Recognizing this gap, a public health finance expert committee was organized to provide authoritative input for the identification of competencies appropriate for the public health financial management workforce. The project was part of a Robert Wood Johnson Foundation–funded initiative to advance the field of public health finance. Both practice and academic organizations were represented. Committee members were finance, business, budgetary, and administrative experts from public health, healthcare, academia, and federal, state, and local government (Table 4). Members of the committee served as key informants and were selected by the lead author on the basis of their extensive professional knowledge of public health, leadership roles, and responsibilities within their organizations, knowledge of governmental workforce competencies, or academic and work experiences in finance, accounting, or business. Work of the group culminated in the identification of a comprehensive set

TABLE 3 ● Council on linkages core competencies for public health professionals

Domain: Financial planning and management skills

- Develops and presents a budget
- Manages programs within budget constraints
- Applies budget processes
- Develops strategies for budget priorities
- Monitors program performance
- Prepares proposals for external funding
- Applies human relation skills to program management
- Manages information systems
- Negotiates and develops contracts for services
- Conducts cost analyses for effectiveness, benefit, and utility

TABLE 4 ● Organizations represented on the public health finance competencies expert committee and review panel

Expert committee
University of Kentucky, College of Public Health
North Dakota Department of Health
Iowa Department of Public Health
Broward County (FL) Health Department
Mississippi State Department of Health
Florida Association of County Health Department Business Administrators
State of Missouri Budget Office
US Government Accountability Office
Medical Group Management Association
Review panel
Governmental Accounting Standards Board
Emory University, Rollins School of Public Health
University of Kentucky, School of Public Administration
Florida Atlantic University, College of Business
City of St Louis Government

^a Finance-related competency.

of competencies for the public health financial management workforce as shown in Table 5.

Over an 8-month period, the committee provided expert opinion for the identification of competencies necessary to fulfill typical fiduciary and related administrative responsibilities in a public health setting. While emphasis was placed heavily on responsibilities within a governmental agency, consideration was given to the applicability of the competencies to other public health organizational settings such as nonprofits. Competency identification was a multistep process:

- review existing competencies for the public health workforce,
- review government financial manager workforce documents and financial competencies for the healthcare delivery system,
- identify basic and then more complex financial management skills,
- identify sample practices for each of the competencies,
- assign levels of expertise required for the financial management workforce and public health senior leaders, and
- gather input from an expert review panel.

This work was accomplished through nine conference calls and written comments from committee members. The duration of calls was typically 2 hours with more information gathered through written comments in between conference calls and one-on-one discussions with the lead author and committee members when necessary to elaborate or clarify issues. This informal consensus-building process worked well, given the

small size and expert knowledge of the committee. In addition, participation in the calls was never less than 9 of the 10 members.

A strategy was built into the competency identification process to gather input and reviews beyond the expert committee. A panel of expert reviewers (Table 4), selected also because of their level of professional experiences and knowledge on finance, was asked to provide written and verbal comments to the lead author. The process of receiving the written comments and conducting informal telephone interviews took about 1 month. Comments of the reviewers were categorized and sent to the expert committee. Following a call with the expert committee to establish consensus on the comments, revisions were made accordingly.

As a follow-up to the work of the expert committee, a formal research project was designed and administered by the College of Public Health, University of Kentucky. A survey was developed to gather input from the practice community on the competencies.¹³ The survey was administered to finance managers at local health agencies serving communities with populations of 25 000 to 1 million. The purpose of the research was to test validity of the competencies, identify practice priorities, and document educational gaps and opportunities.

● Results

Competencies

Initial committee discussions were framed by a thorough review of current competency documents from ASPH, Council on Linkages, Joint Financial Management Improvement Project (JFMIP), and Healthcare Financial Management Association (HFMA).^{14,15} After several conference calls and reviews of written comments from committee members, consensus was reached to structure the competencies under three domains. The committee elected to adopt two domains from the 2001 Council on Linkages core competencies. The title of the Council on Linkages *Policy Development/Program Planning Skills* domain was revised to *Organization and Program Planning and Policy Development*. *Financial Planning and Management Skills* was chosen by the committee as an identical domain title.¹¹ To capture the full range of skills required to meet typical responsibilities of financial management positions, a third domain titled *Administrative and General Skills* was identified by the panel.

Knowledge, skills, and abilities were identified for all three of the domains to capture the technical expertise needed to fulfill anticipated public health financial management responsibilities. Drawing from their

TABLE 5 • Competencies for the public health financial management workforce

Knowledge, skills, abilities	Sample practices	Competency level	
		Financial managers	Senior leadership
I. Financial management, analysis, and assessment			
Demonstrates knowledge of generally accepted accounting principles and other appropriate standards	Application of fundamental financial accounting standards (eg, accounting principles, accounting equation, fund accounting, governmental accounting)	P	B
Gathers, interprets, and reports financial data and communicates data and information according to standards	Financial statement preparation Presenting analysis and explaining trends and variances before governing bodies Comprehensive Annual Financial Report development	P	B
Assesses the financial status of the organization and develops any necessary corrective measures	Financial ratio analysis Benchmarking Trend analysis Financial performance measurement and management	P	P
Develops budgets and financial data according to prescribed submission formats and specifications	Budget formulation in compliance with oversight agency instructions Budget presentation to governing and legislative bodies	P	B
Uses cost, managerial accounting, and economic evaluation approaches and applies these skills to the practice of public health	Developing indirect cost rates Developing cost and cost allocation studies and other managerial reports Conducting economic analysis (eg, cost analysis, cost-effectiveness analysis, cost-benefit analysis, cost utility analysis)	P	B
Assesses budget activities and their relationship to the operational and program goals of the organization	Participation in budget development and planning processes Application of prioritization techniques	P	P
Incorporates knowledge of grants accounting	Application of OMB Cost Principles Application of uniform administrative requirements for grants	P	B
Integrates knowledge of the grant-making process with financial management practice	Workforce training on effective grant writing and development concepts	P	B
Negotiates, implements, and monitors contracts, with particular emphasis on achieving outcomes	Contract development and management	P	B
Applies knowledge of basic financial and business processes (eg, procurement, accounts payable, accounts receivable, time accounting)	Accounts payable and accounts receivable aging reports Time studies Management of procurement and payment systems	P	B
Applies management, evaluation methods, and performance measurement to monitor program performance and track achievement of program objectives	Operational ratio analysis Program evaluation and assessment Measurement of outcomes and performance Outcomes-based grant-making and contracting Logic modeling	P	B
Demonstrates the knowledge and ability to manage monetary resources	Treasury functions (eg, investment activities, cash management)	P	K
Promotes financial accountability and transparency	Reporting and sharing of financial data Preparing financial performance reports Professional networking	P	P
Ensures the accuracy of financial accounting systems and financial information	Internal control assessments and auditing	P	K
Achieves compliance with federal regulations	Implementing controls and procedures for achieving compliance Compliance auditing OMB circular compliance	P	P

(continues)

TABLE 5 • Competencies for the public health financial management workforce (Continued)

Knowledge, skills, abilities	Sample practices	Competency level	
		Financial managers	Senior leadership
Functions as the financial expert for the organization	Financial analysis and planning Developing and providing financial information to management Provides advice on all financial functions	P	B
Defines business and IT requirements and maintains an integrated financial management system to ensure the generation of timely, accurate, and consistent financial information	IT business system assessments Business process redesigns	P	B
Uses available resources (eg, financial data, budget information, financial management concepts, information systems, etc) to increase program effectiveness by conducting analysis and developing viable solutions to complex program management issues	Performance reporting and auditing Trend analysis Budget variance Financial performance indicators	P	K
Assesses risks	Risk-mitigation activities Assess IT security risks Stewardship of organizational resources	P	B
Implements appropriate management control systems including a quality assurance program	Continuous quality improvement Internal control planning		
Supports the audit function by assisting program auditors and using audit information for program improvement	Audit report response Audit planning		
Promotes public health finance as a profession	Participation and leadership in professional public health finance organizations and events	P	B
II. Organization and program planning and policy development			
Leads the process of identifying new funding sources, revenue streams, and product lines and provides advice on strengthening and maintaining the existing ones	Business planning Financial analysis Sustainability planning	P	B
Develops policies and procedures to ensure compliance with regulations and the issuance of accurate financial information	Internal policy manual development	P	B
Demonstrates knowledge of legislative processes, policy setting, and political issues (eg, governmental appropriations, rule making, legislative committee structure)	Participation in legislative hearings Participation in policy agenda setting Policy interpretation	P	P
Articulates fiscal implications of policies	Fiscal note development Service pricing analysis	P	P
Maintains current information on national, state, and local issues and pending policies that may impact public health financing	Participation in national professional development opportunities Participation in professional organization events	P	P
Recognizes strategic planning processes and the relationship to budget formulation and sustainability planning	Strategic planning Scenario planning Budget forecasting	P	P
Assesses the needs and satisfaction of stakeholders and customers and makes recommendations to implement improvements that enhance the delivery of services and achievement of desired outcomes	Needs and asset mapping Development of strategic alliances Responding to taxpayer/stakeholder requests Quality assessments Change management activities	P	P
Displays and promotes ethical practices	Respect for organizational and professional values	P	P

(continues)

TABLE 5 • Competencies for the public health financial management workforce (Continued)

Knowledge, skills, abilities	Sample practices	Competency level	
		Financial managers	Senior leadership
Understands and values cultural competencies	Respect for diversity Building methods of communication with non-English-speaking populations	P	P
Sets the strategic financial direction of the organization	Establishing and prioritizing service lines and programs	P	P
Identifies the relationship between strategic planning, budgeting, and financial management	Alignment of budget with strategic plans	P	P
Develops plans for the role of the finance, business, and administrative functions during and following disaster-response situations	Establishment of systems to capture expenditures related to disasters Establishment of approved alternative financial processes/practices during crisis situations Fraud and abuse prevention Implementation of special financial internal controls during and following disasters Disaster risk mitigation planning	P	K
Trains the workforce on finance, business, and administrative concepts	In-service training Collaborations with academic institutions	P	B
Assesses financial information needs of decision makers	Gathering financial data for legislative and public hearings	P	B
III. Administrative and general skills			
Articulates the mission and role of public health (eg, core functions, essential services, operational definition) and the relationship to the healthcare system	Public health marketing Professional development on relevant healthcare finance topics	P	P
Complies with human resources legal and regulatory requirements	HIPAA compliance EEOC Compliance Personnel performance assessments Conflict resolution	P	B
Develops succession plans	Workforce assessments Staff development and professional development planning	P	B
Applies systems thinking concepts effectively	Logic modeling Critical thinking Team building	P	P
Demonstrates proficiency in basic business software applications	Utilization of Excel, PowerPoint, Access, etc	P	B

Abbreviations: B, basic (is somewhat familiar with the topic); EEOC, Equal Employment Opportunity Commission; HIPAA, Health Insurance Portability and Accountability Act; IT, information technology; OMB, Office of Management and Budget; P, proficient (expert on a specific topic); K, knowledgeable (possesses a working knowledge of the subject).

expert knowledge and review of the JFMIP and HFMA documents, the committee began the process by identifying basic entry-level skills of financial managers in governmental, public health, and medical care delivery organizations. Competencies most appropriate for public health were selected. More complex skills were added in the next step. This phase of the process was lengthy and resulted in multiple refinements over 6 months before consensus was reached. Debate on the target audience (eg, large or small agency, nonprofits) for the competencies was the focus of lengthy discussions. The committee decided to include sample practices for each competency to facilitate translation of this

knowledge into the practice of public health at multiple levels for large and small agencies. Also, there was consensus that the competencies could be used to develop progressively more responsible career paths for the workforce and to encourage advanced education and lifelong learning. This concept was introduced by committee members familiar with financial management in the healthcare delivery system.

A level of expertise required for financial managers and senior leaders was also identified for each competency. Given the committee's senior level of expertise in financial management across many organizational environments, there was overwhelming consensus that

this should be included as an aid to communicating the relevance of fiduciary responsibilities to the public health profession. The federal Sarbanes Oxley Act of 2002 and some comparable state laws mandate that chief executive officers attest, in writing, to the financial status of their organization.¹⁶ This imperative for improved financial understanding and, most importantly, accountability at the senior executive level was a strong influence for including skill levels for senior public health leaders. The committee concluded that financial managers should perform at the proficient level in all competencies. Competency performance levels for senior managers were more diverse (38% proficient; 10% knowledgeable; and 53% basic). The complete competency document can be found in Table 5.

A review was also completed to compare the competencies to mandates in the Chief Financial Officers Act of 1990 (CFO Act).¹⁷ The review revealed that responsibilities stipulated in the CFO Act are compatible with the competencies developed for the public health financial management workforce (Table 5). Major areas of consistency include (1) utilization of accounting and financial management systems, (2) financial analysis to monitor resources, (3) improvement of financial information systems, (4) budget monitoring and execution, and (5) ensuring a qualified financial management workforce.

Practice priorities

Respondents to the University of Kentucky-administered survey identified knowledge of budget activities, financial data interpretation and communication, and ability to assess and correct the organization's financial status as priority areas where training was needed.¹³ It is not surprising that budget activities ranked high since they have historically been the focus of financial examinations in public health. Results from that research will help integrate the financial management competencies into the practice of public health and also with strengthening training opportunities.

● Discussion

The widespread lack of progress toward contemporary practices in public health financial management is a complex problem. Appropriate responsibilities for this segment of the workforce have not been defined. As a result, performance levels consistent with those of peers in other closely related professions have not been established. While appropriate responsibilities and performance expectations have served as drivers for identification of competencies in other

areas of public and healthcare finance, this has not occurred in public health. The absence of appropriate course content on public health finance in master of public health programs exacerbates this problem.¹⁸ The committee felt strongly that the public health financial management competencies should be used as the basis for developing public health finance course syllabi.

In the March-April 2007 finance issue of the *Journal of Public Health Management and Practice*, 8 of the 17 articles called for improvements in public health financial practices.¹⁹ Several authors noted that existing financial practices resembled those used by managers in related fields more than a century ago. Increasing financial transparency and accountability can be accomplished through an adequately skilled and educated workforce. Transparency was recently established as an *aim* for the improvement of quality in public health.²⁰ Conducting financial analysis is a major step to achieve financial transparency and promote program quality improvement across the public health system.

Identification of competencies is a major step to enable the identification of new responsibilities and align them with appropriate skills. However, competencies will catalyze advances in transparency and accountability only if stakeholders embrace a culture for professionalizing this segment of the workforce.

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