

# Financial Management Maturity Self-Assessment

Improving financial management requires an unrelenting focus across the enterprise. Chief Financial Officers (CFOs) must identify what is working well and where capabilities are lacking so they can target initiatives to raise the bar for federal financial management. To help CFOs shift from transition processing to becoming strategic partners within their agency's leadership, Treasury has defined five areas that agencies can target when making plans for improvement.

## *The 5 Focus Areas of Financial Management Maturity*



**Core Budget & Accounting Operations**



**Financial & Regulatory Controls**



**Data Management & Analytics**



**Communicating Results**



**Strategic Planning & Mission Support**

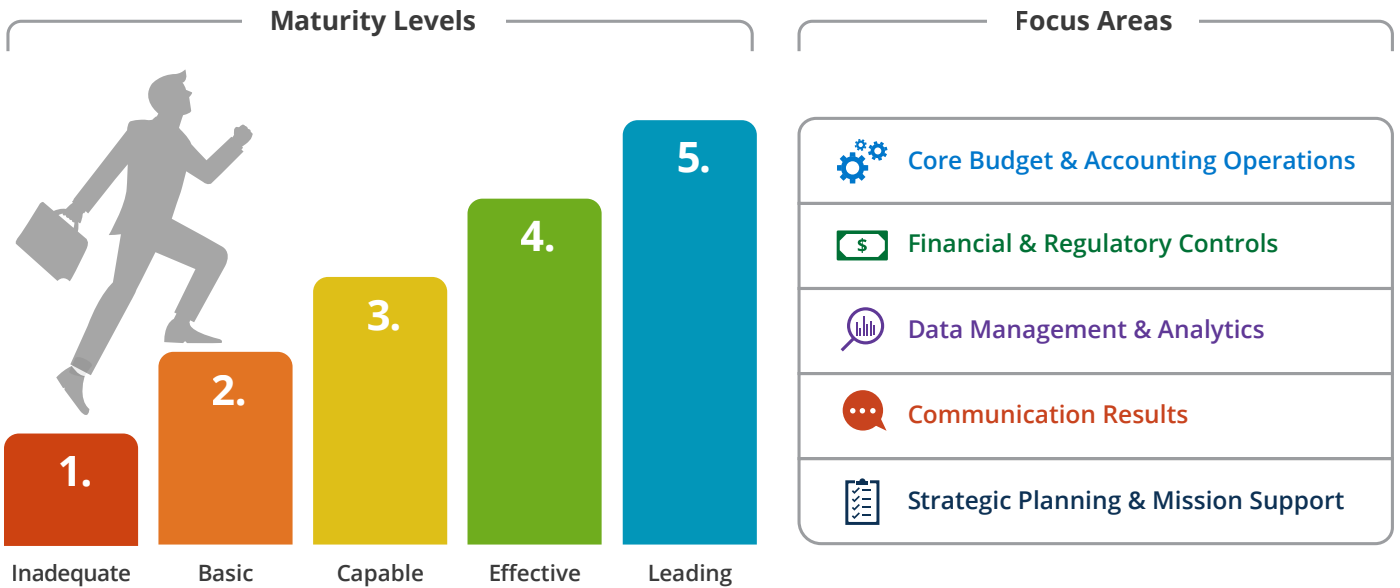
## Why Take the Assessment?

The Department of the Treasury has developed an FM Self-Assessment Tool to help CFOs and their staff self-assess the maturity of their agency’s financial management operations. It’s designed to be used internally, is easy to perform, and is based on current conditions and existing documentation common to every agency (as in, no new data calls).

This self-assessment will help you rank your agency’s maturity in five Focus Areas, from “inadequate” to “leading.” The five focus areas directly align with Treasury’s [The Future of Federal Financial Management](#).

### Financial Management Self-Assessment Chart

Focus Areas	Inadequate	Basic	Capable	Effective	Leading
<b>Core Budget &amp; Accounting Operations</b>	Legacy, customized system with manual processes	Limited Automation, OMB-approved modernization plan in place	Modern system, no FISMA findings, mix of manual and automated processes	Automated end-to-end processes, mix of batch and system-to-system interfaces	Real-time system-to-system interfaces, fully automated processes
<b>Financial &amp; Regulatory Controls</b>	Modified opinion (Disclaimer or Adverse)	Modified opinion (Qualified), ad hoc risk management	Unmodified opinion with risks identified and managed across the agency	No material weaknesses or significant deficiencies; enterprise risk program in place	Sustained (three years) unmodified opinion, proactive risk management culture and program
<b>Data Management &amp; Analytics</b>	Standard reports, data unreliable	Standard reports, periodic data reconciliation and validation	Standard and ad hoc reporting with high quality data	Standard reports, periodic data reconciliation and validation	Advanced analytics capability with integrated agency-wide data
<b>Communicating Results</b>	Ad hoc communications, Reporting non-compliant	Results communications limited to within organizational silos, reporting may not be compliant	Results communicated to agency personnel, Reporting compliant	Results communicated to agency personnel and customers, reporting compliant	Regular communications to agency personnel and customers, reporting compliant
<b>Strategic Planning &amp; Mission Support</b>	Ad hoc planning	Limited planning and analysis	Meeting some targets	Most targets met, detailed program analysis available	Year over year performance improvements, results drive decisions



## Directions

For each of the five Financial Management Focus Areas, check the box that most closely matches the state of your agency's operations.

# Core Budget & Accounting Operations

Select the box for the description that describes the current state of your core budget & accounting operations.

## 1 *Inadequate*

- Legacy, customized system
- Lack of automated interfaces requiring manual re-entry
- No plans to modernize
- FISMA financial findings exist
- Heavy reliance on manual processes that lead to rework
- No customer service

## 2 *Basic*

- Legacy, customized system
- Limited automated interfaces
- OMB-approved modernization plan
- FISMA financial findings exist
- Reliance on manual processes with efforts underway to automate
- Limited customer service

## 3 *Capable*

- Modern COTS product with limited customizations
- Batch interfaces
- No FISMA financial findings
- Mix of manual and automated processes
- Established customer service processes

## 4 *Effective*

- Modern COTS product with no customization
- Mix of batch and real-time system-to-system interfaces
- No FISMA financial findings
- Strategic use of third party arrangements
- Automated end-to-end processes with predominantly real-time interfaces
- Self-service capabilities

## 5 *Leading*

- Modern COTS product with no customization
- Real-time system-to-system interfaces
- No FISMA financial findings exist
- Fully automated, real-time end-to-end processes
- Self-service capabilities widely adopted

# Financial & Regulatory Controls

Select the box for the description that describes the current state of your financial & regulatory controls.

## 1 *Inadequate*

- Modified opinion (Disclaimer or Adverse)
- Risks occasionally discussed
- No formal process to manage risks
- Periodic mission failure due to lack of preparedness

## 2 *Basic*

- Modified opinion (Qualified)
- Non-compliant with one of more laws and regulations
- Risks identified and managed in a siloed manner
- Ad hoc process to identify and document risks
- Major risks averted in a reactive, inefficient manner

## 3 *Capable*

- Unmodified opinion with one or more material weaknesses
- Non-compliant with one or more laws and regulations
- Risks identified and managed across the agency
- Management understands cross-cutting agency risks
- Established mitigating controls minimize risk exposure

## 4 *Effective*

- Unmodified opinion with no material weaknesses or significant deficiencies
- Compliant with laws and regulations
- Formal ERM program to identify, document and manage risks across the agency
- Mission programs inherently manage risk
- Risk mitigation enhanced through diagnosis of lessons learned

## 5 *Leading*

- Sustained (three years) unmodified opinion
- No material weaknesses or significant deficiencies
- Compliant with laws and regulations
- Mature ERM program to identify, document and manage risks across the agency and with external stakeholders
- Culture of proactive risk management
- Agency routinely implements preventive controls and risks rarely become issues

# Data Management & Analytics

Select the box for the description that describes the current state of your data management & analytics.

## 1 *Inadequate*

- Standard financial reports
- Data is unreliable

## 2 *Basic*

- Standard financial reports with limited ad hoc capability
- Data reconciled and validated periodically

## 3 *Capable*

- Standard, ad hoc reporting capabilities for financial data
- High quality data reconciled and validated regularly

## 4 *Effective*

- Standard, ad hoc, user-driven reporting capabilities
- Integrated financial and program-data

## 5 *Leading*

- Standard, ad hoc, user-driven, analytic reporting capabilities
- Agency-wide access to integrated financial and program-data
- Ability to perform advanced analytics (ex. predictive, evidence based decision-making, etc.)

# Communicating Results

Select the box for the description that describes the current state of your ability to communicate results.

## 1 *Inadequate*

- No structured internal communication function
- Does not meet financial reporting deadlines

## 2 *Basic*

- Organizational goals and performance metrics communicated to FM personnel
- May not meet financial reporting deadlines

## 3 *Capable*

- Organizational performance communicated to agency personnel
- Meets reporting deadlines

## 4 *Effective*

- Organizational performance communicated to agency personnel and customers
- Meets financial reporting deadlines

## 5 *Leading*

- Organizational performance communicated to agency personnel and customers on a regular basis
- Meets financial reporting deadlines

# Strategic Planning & Mission Support

Select the box for the description that describes the current state of your strategic planning & mission support.

## 1 *Inadequate*

- No documented FM goals or performance metrics
- Unable to produce cost of agency programs

## 2 *Basic*

- FM goals and performance metrics documented
- Produces macro level cost of agency programs with no insight on cost detail
- No performance targets exist

## 3 *Capable*

- Organizational performance communicated to agency personnel
- Meets reporting deadlines

## 4 *Effective*

- FM goals and performance metrics documented
- Regularly produces detailed cost of agency programs and leverages internal benchmarking
- Performance targets exist
- Most performance targets met

## 5 *Leading*

- FM goals and performance metrics demonstrate year-over-year improvement
- Detailed cost estimating, forecasting, and external benchmarking drive program decisions
- Performance targets updated annually



# Next Steps After the Assessment

You now have an objective view of how your internal financial management operations compare against the maturity scale. Previous Self-Assessment users reported that some of the results came as a surprise—which led to internal discussions and changes in priorities and planned investments. We hope your results also lead to more discussions and further planning.

## Contact Us

Email us at [FIT@fiscal.treasury.gov](mailto:FIT@fiscal.treasury.gov) for any questions or comments. Our mission is to support improvements in financial management across the federal government. We will consult with you on any identified areas for improvement and help you put together a plan to make changes. If we don't have someone on staff who can help, we will connect you to experts across the government.

## Additional Resources

### [FIT Library of Articles and Blog Posts](#)

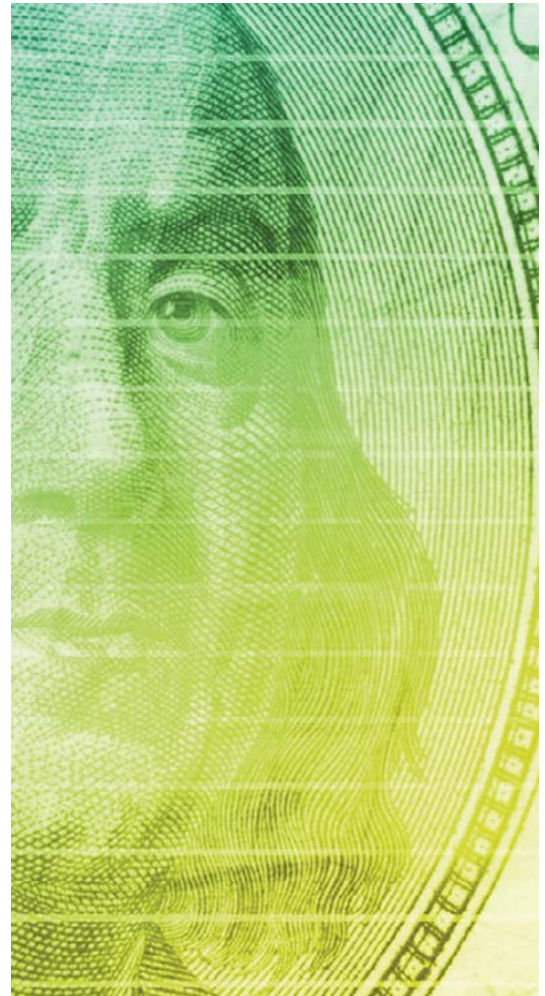
Explore a range of topics related to improving financial management that includes process improvements and automation, technology innovation pilots, data management strategies, and standardization.

Join the FIT mailing list at [fiscal.treasury.gov/fit](https://fiscal.treasury.gov/fit).

## Get Connected

### Financial Management Standards Committee

Deputy CFO-level leaders from across the federal government meet regularly to share solutions to common problems and learn about innovations happening in the government and private sector.



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