

### What is financial management system self-assessment?

A financial management system self-assessment is an on-going evaluation of tribal entity's operating system so that the staff and governing body can ensure:

- ◆ Fiscal activities are aligned with entity goals
- ◆ Entity uses good accounting practices
- ◆ Entity's compliance with good accounting practices and applicable laws and regulations

### What areas of the financial management system are assessed?

Some of the areas evaluated in a financial self-assessment include:

- ◆ Roles of the staff and board in financial planning, risk management, and annual/capital budget systems
- ◆ Accounting policies and procedures, including internal controls
- ◆ Business system practices and information management
- ◆ Financial statements
- ◆ Roles of the staff and the board in using financial statements to align fiscal resources with the organization's mission and goals

### What are the steps to conduct an assessment?

- ◆ Gather the assessment team, include executive and fiscal leadership.
- ◆ Select a financial management system self-assessment tool, such as the example provided by TFMC.
- ◆ Assign team members responsibility for completing sections of the tool.
- ◆ Set a schedule to determine:
  - ◆ How often will the assessment be completed?
  - ◆ How often and to whom will assessment results be reported?
  - ◆ Who will be responsible for action steps to strengthen any areas of the assessment?

### What does the plan for conducting an assessment look like?

- ◆ An assessment team is formed consisting of the Chief Financial Officer, controller, and the tribal administrator.
- ◆ The team reviews the tool they will be using. If using the TFMC tool, the team reviews each of the 46 quality standards outlined in the five sections. For each item, the grantee compares its current practice or condition to the standard provided in the tool. The team rates themselves for each item: *Don't Know*, *Inadequately Achieved*, *Partially Achieved*, and *Fully Achieved*. For all areas identified as *Don't Know* or *Inadequately Achieved*, a short-term action plan is created to improve the rating towards being partially, and then fully, achieved.
- ◆ The team then writes a memo to report on the assessment. For each item with a short-term action plan, specific details of how each identified item will be improved are outlined

in the memo. The memo includes information about when the next assessment will be completed. The team shares the memo with tribal leadership, such as the Council (or governance body).

- ◆ On a regular basis (for example, quarterly or annually) the Chief Financial Officer submits a written assessment report to the Council (or governance body) about progress made on each of the identified items with an action plan.
- ◆ All copies of the reports on assessment activities are provided to the external auditor as evidence of ongoing efforts of risk management activities which strengthen and improve the entity's fiscal management system.

#### Resources

- ◆ **DOJ Grants Financial Guide**

[https://www.ojp.gov/sites/g/files/xyckuh241/files/media/document/DOJ\\_FinancialGuide\\_1.pdf](https://www.ojp.gov/sites/g/files/xyckuh241/files/media/document/DOJ_FinancialGuide_1.pdf)



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## Feedback Requested

OVC TFMC will continually work to provide resources to support grantees as they successfully manage their OVC financial awards. Your feedback assists us in creating these resources to meet your needs. To help us provide the most useful resources, we would appreciate your feedback on this guide sheet. Please send any comments or suggestions to [Evaluation@OVCTFMC.org](mailto:Evaluation@OVCTFMC.org).

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