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OVERVIEW

1. What is the Financial Management Maturity Model?
   The Maturity Model is a business tool that allows a Chief Financial Officer (CFOs) to self-assess his or her organization’s level of financial management discipline, effectiveness, and efficiency. The five-level model ranges from “inadequate” to “leading,” within three key areas: financial systems and reporting, operational efficiency, and financial integrity.

2. Why was the Maturity Model created?
   The Maturity Model was created to develop an approach for all agencies to assess their capabilities in financial management and promote continuous improvement using a uniform, standardized framework. Over the past few decades, the federal community has made great strides in improving its financial management practices. New financial management initiatives, many broad and complex, are added each year. Harmonizing these efforts by assessing financial management capabilities holistically through the model can help agencies gauge how well they are adapting to change and continuing to find opportunity for improvement.

3. Who should assess an agency’s financial management maturity using the Maturity Model?
   The Maturity Model is designed for use by a CFO and his or her staff. Once completed, the results give leadership a clear view of its financial management maturity level and help determine where resources should be focused for improvement.

4. Is the Maturity Model required?
   No, the Maturity Model is not required. The Maturity Model is voluntary, but recommended to help a CFO validate his or her organization’s level of financial management capabilities using a standardized framework. Knowing an agency’s financial management maturity can help a CFO make more informed decisions in strategic planning.

5. Will the results of the Maturity Model be made public?
   No. There are no plans for the Department of the Treasury to collect the results from agencies that use the Maturity Model. The model is designed for internal agency use to improve its financial management as its CFO and leadership sees fit.

6. Will the model be used to evaluate performance in any way?
   The Maturity Model is not designed to evaluate performance. Rather, it is a management tool designed to give a CFO a uniform approach to assess his or her agency’s financial management capabilities and determine if, and whether, improvement is needed. The model can serve as a guide for a CFO to identify areas requiring improvement to achieve its target level of maturity. That being said, exploring whether an agency maintains and uses its own internal performance measures is part of the Maturity Model.
measures, outcomes, and goals are up to the agency.

7. How will this model impact my audit opinion, if at all?
   The Maturity Model is not designed to affect audit opinions. The Maturity Model is a business tool that CFOs can use to perform a comprehensive self-assessment on their organizational maturity across major functions.

8. What will happen if we don’t use the Maturity Model?
   Choosing not to use the model means an agency loses the opportunity to assess its maturity using the criteria set forth in the model. Using the model can help an agency determine where it can focus to improve, or validate a CFO’s view on financial management areas that require attention and possibly resources. Similar to the Software Engineering Institute’s Capability Maturity Model and the Leadership in Energy and Environmental Design (LEED) certification for green buildings, the model is voluntary and used by those organizations who want to improve in their designated industry.

9. Why a Maturity Model?
   The Maturity Model provides a standardized framework that allows organizations to assess their own capabilities and chart their approach to improve or maintain their appropriate maturity level. In both the public and private sector, maturity models are widely used in a variety of disciplines, such as construction, risk management, and software development, and can be applied to federal financial management.
HOW CAN THE MATURITY MODEL HELP

1. Why should I use the Maturity Model?
The Maturity Model can help CFOs validate where they think their organization is in terms of its financial management maturity, and then facilitate a discussion on where improvements, and ultimately investments, are needed. Model results can help a CFO make the right choices for improving financial management. With its “step by step” levels, the model helps an agency focus on what is needed to achieve the next level of maturity. With standardized levels, CFOs and financial managers can pinpoint areas where an agency needs to focus its resources to advance, or not, depending on an agency’s needs.

2. Why is the Maturity Model good for my agency?
Using the Maturity Model can help CFOs align their financial management efforts within a single framework. CFOs manage financial risk within their agencies, as well as implement broad, complex efforts designed to improve financial management. Harmonizing these efforts by viewing financial management holistically can help agencies identify those areas requiring improvement and how well those improvements will meet the financial management needs of an agency. The Maturity Model helps agencies continually improve their financial management in a standard, evidence-based clear manner. Its use can improve financial performance by showing “best practice” approaches in financial systems and reporting, operational efficiency, and financial integrity.

3. How will the Maturity Model benefit taxpayers?
Efficient, effective, accountable financial management benefits all taxpayers. Agencies better understand the value of their investments, gain insights to the cost of running the government, and drive better results for their missions. The model sets standards for levels of maturity that help CFOs make informed strategic decisions and investments related to improving federal financial management.
USING THE FINANCIAL MANAGEMENT MATURITY MODEL

1. What is the deadline for completing the assessment?
The Maturity Model is a self-assessment and has no deadline. Those who choose to use it should re-assess annually as part of their normal strategic and budgetary planning.

2. How much effort will this require?
A CFO decides the amount of effort and resources to dedicate to the self-assessment. We recommend assigning a small internal team familiar with your agency’s financial management capabilities in the three areas of the model: financial systems and reporting, operational efficiency, and financial integrity.

3. Who should perform the evaluation and document the answers and who do you expect to validate the responses?
How a CFO undertakes the Maturity Model is up to him or her. The model should be easy to use for a CFO familiar with an agency’s financial management operations. The CFO and management team can validate the assessment, and decide the best way to use the results to improve or maintain an agency’s financial management maturity level. No external validation is expected or planned.

4. Will this model be used to determine if financial functions should be migrated to a Federal Shared Services Provider?
No, the Maturity Model is not intended to identify areas to move to Shared Services. The model was designed to serve as a self-assessment tool and to assist a CFO in determining where improvement is needed and the best steps to help an agency improve its financial management. Improvement could be met through migration to a shared services provider, but that is not the intent of the model.

5. Who has to sign off on the results? Are you expecting the results to be certified?
No certification of the results of the self-assessment using the Maturity Model is necessary.

6. How and why will this self-assessment be better than what my staff tells me about our operation?
Using the Maturity Model calls upon a CFO and staff to see an agency’s financial management capabilities within a standard framework. It aligns overall efforts to see “the big picture,” and to harmonize an agency’s approaches within key areas: financial systems and reporting, operational efficiency, and financial integrity. The Maturity Model can help an agency “see” its financial management differently, and can drive change – or maintenance – in a clear, standardized approach. It may also validate a CFO or staff’s view that specific areas need more attention.
GETTING INVOLVED

1. Is this the “final” maturity model?
   The model is in its early development stages. Treasury has sought, received, and will continue to gather input from representatives within the financial management community. Treasury will continue to refine the model, seeking input from federal agency CFOs and staff, as well as leaders in the Federal financial management arena.

2. How can I learn more?
   To learn more about the Maturity Model and other approaches, visit fiscal.treasury.gov/FIT or contact us at FIT@fiscal.treasury.gov. In the coming months, FIT will be discussing the Maturity Model with CFOs and members of the financial management community, and exploring other options to reach out to all agencies. If you would like to schedule a meeting, please contact us.