

3. Financial Management												
Basic			Developing			Advanced			Leading Edge			
1	2	3	4	5	6	7	8	9	10	11	12	
Strategic Direction	The NPHI struggles with financial management due to a lack of strategic and financial planning. Difficulty managing funds sometimes leads to resources being taken away or reduced.			Financial planning is improving, but the NPHI still wastes or fails to use some resources. The NPHI generally tries to comply with governmental and donor financial management requirements.			The NPHI regularly conducts financial planning, including long-term planning that aligns with strategic priorities. Budget projections are grounded in historical data and expected needs.			Financial planning and management are high priorities. The NPHI allocates resources as needed to take advantage of opportunities or address unexpected situations. It uses innovative approaches such as artificial intelligence to forecast future needs.		
Systems	Managers and staff struggle to obtain the necessary financial information. Individual staff develop their own systems to track their projects' resources.			The NPHI is establishing computerized systems for budget tracking and financial management, but these are often fragmented. Systems are in place for at least quarterly budget reconciliation and reporting for most projects.			The NPHI's management information systems generally allow it to collect, analyze, track, and produce accurate financial reports. It has established policies and procedures to ensure good stewardship of resources, including accountability and security. These are usually followed.			The NPHI's budget and financial management systems emphasize accountability and security. Policies are rigorously followed, and annual audits are conducted. Automated internal controls reduce reliance on human behavior, preventing fraud, waste, or abuse.		
Resources	The NPHI has few, if any, staff who are trained in financial management or budget execution. Existing systems are inadequate to meet the NPHI's needs for developing and implementing budgets.			The NPHI has a few staff with training in financial and budget management. Outdated computers and difficult-to-use budget and financial systems are barriers to efficient and effective financial management.			The NPHI has experienced, well-trained staff dedicated to financial and budget management. Most systems, including computers and software, are sufficient for current needs. Some measures are in place to ensure the security of the systems.			The NPHI's financial management systems allow staff and leadership to easily obtain reports and information needed to optimize operations. IT security experts ensure the security of these systems.		
Quality	Budget projections often differ substantially from actual costs. Financial reports are of poor quality and contain errors. Projects often under- or over-spend. Some NPHI funds are unaccounted for or misused.			Funding projections are improving as staff gain experience and systems improve. Expenditures on individual projects are often tracked, but overall NPHI spending is difficult to assess. Financial reports are often late or missing information, but essential information can be obtained with effort.			Budget projections generally align with actual expenses. Financial reports contain few errors, although information is sometimes missing and usually timely. External audits confirm the quality of the financial and budget systems.			The NPHI continuously assesses and adjusts budget projections as needed. Financial reports are almost always accurate, complete, and delivered on time.		
Engagement	Staff spend as little time as possible on financial and budget issues. They have difficulty finding data or extracting information from the existing systems to comply with reporting requirements.			Staff try to manage their project budgets, but they often lack the needed skills. They get frustrated when they cannot access the financial data they need or don't know what information to collect from the start.			Most staff are aware of financial processes and controls and understand the importance of these to the NPHI's financial health. They can usually access the information they need to track their budgets and ensure accountability.			All staff receive financial management and accountability training appropriate to their jobs. Staff regularly use budget and financial information to improve program management and decision-making.		
Impact	The NPHI struggles to document how resources are used. As a result, donors consider the NPHI to be high-risk and are reluctant to provide it with resources.			As the NPHI's financial management and reporting improve, donors are increasingly willing to provide resources directly to the NPHI. Although errors and issues frequently occur, most of these can be resolved.			Accounting irregularities at the NPHI are rare. Financial reports at the project and NPHI levels are clear, complete, and on time, even as the NPHI's financial activities become more complex. Trust in the NPHI's financial management is resulting in increased resources.			Effective financial planning and management increases the amount the NPHI can do with the available resources. The NPHI is widely trusted to use resources wisely and to be accountable, resulting in substantial increases in financial, human, and other resources.		