

## Publication



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<sup>[2]</sup>There are many reasons health organizations

may consider strengthening their organizational capacity to manage finances. They may wish to improve their internal services, better manage decreasing funds, qualify for grants, or strengthen the ability of their partners to account for funds. Political and economic reforms may be changing the way their country provides health services and affecting how they need to account for funds.

In many countries, central governments are turning away from directly providing services while giving other government levels and nongovernmental organizations (NGOs) more responsibility to decide the mix of services that best meet local needs. Central governments are also expecting health care providers to find new sources of funds instead of depending exclusively on central allocations. But new sources of funds often call for strict accountability and transparency in handling funds. Becoming accountable and transparent requires developing strong financial management systems. Assessing financial management systems can help organizations make improvements in these systems, so they can better account for their revenue, more efficiently implement their operational plans, and even attract new donors.

This issue of *The Manager* offers financial and program managers—from headquarters to the service delivery level—solid reasons to assess their financial management systems and a method for performing this assessment. It introduces the Financial Management Assessment Tool, a step-by-step process and instrument for rapidly assessing budgeting, accounting, purchasing, and other financial systems. It describes how managers can use their assessment results to develop detailed action plans that can be incorporated into their organization's annual operational plans.

**Links:**

[1] <http://www.msh.org/sites/msh.org/files/Assessing-Your-Organization-s-Capacity-to-Manage-Finances.pdf>

[2] <http://leadernet.org>