

Financial Management System

The background of the slide is a dark blue field filled with a complex pattern of small teal and red dots. Overlaid on this are several thin, wavy lines in teal and red, and a series of stylized, overlapping bar charts or histograms in the same colors, creating a financial or data-driven aesthetic.

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<https://www.slideshare.net/JenniferNkemMadubuko/financial-management-presentation-71581369>

Outline:

- Definition
- Financial Management Process
- Importance Of Financial Management
- Who is Responsible for Financial Management
- Principles of Financial Management
- Four Building Blocks of Financial Management
- Financial And Management Accounting
- Conclusion

What is Financial Management ?

Financial management is the efficient and effective

management of (funds) in such a manner as to accomplish the objectives of the organization.

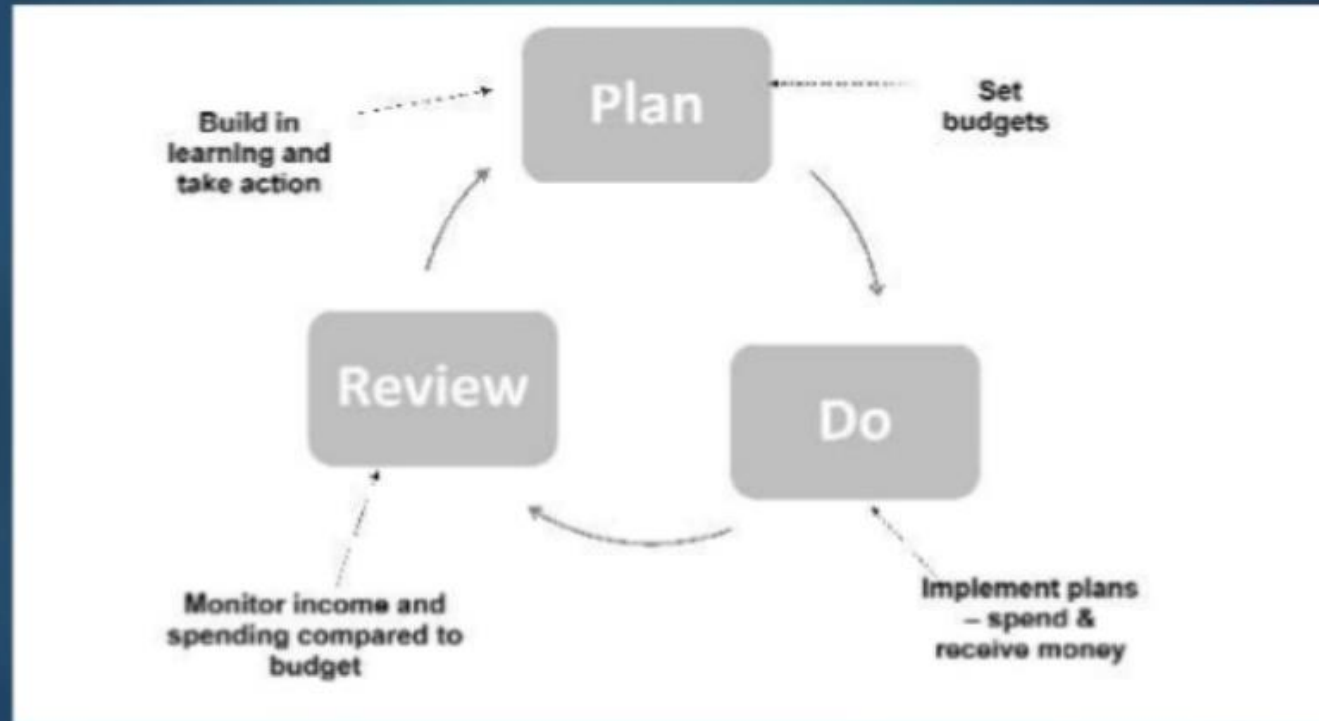
It is the planning, organizing , controlling and monitoring of the financial resources of an organization.

Financial management process

They are:

- Managing scarce resources
- Managing risks
- Managing strategically
- Managing by objectives

Plan – Do - Review diagram



Why Financial Management is Important

Good practice Financial Management will:

- Help Organizations make effective and efficient use of resources to achieve objectives and fulfil commitment to stakeholders.
- Help Organizations gain confidence of funding Agencies, Partners and Beneficiaries.
- Give the advantage in competition for increasing scarce resources.
- Help Organizations prepare themselves for long term financial sustainability.

Who is responsible for Financial management

The diagram demonstrates the day-to-day financial management tasks delegated down through the line management structure. At the same time, the accountability process comes back up through the structure as people report back on progress.



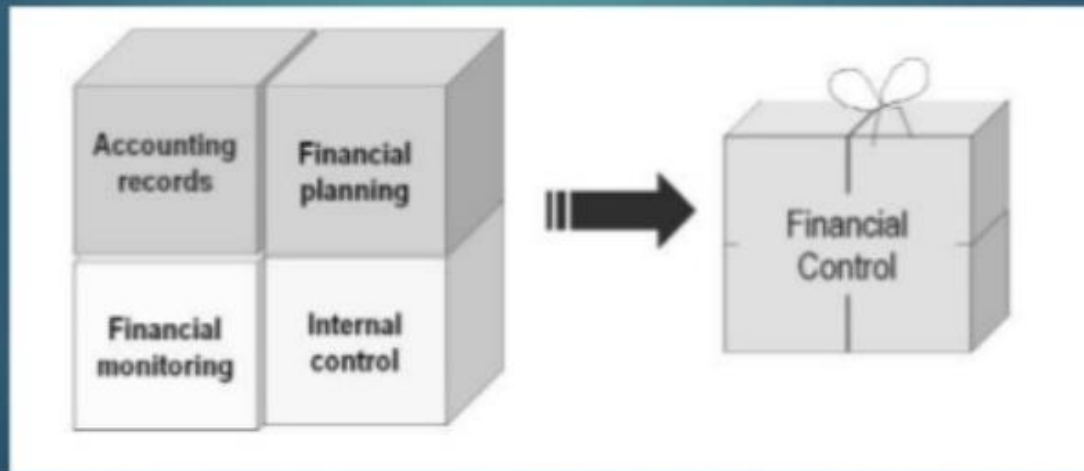
Principles of Financial Management

There are seven guiding principles of Financial Management:

- Consistency
- Accountability
- Transparency
- Viability
- Integrity
- Stewardship
- Accounting standards

The Four Building Blocks of Financial Management

There are four building blocks which must be in place to achieve best practice in financial management. They are:



Financial And Management Accounting

For the financial management to take place effectively, financial systems and procedures need to cover two aspect of accounting.

They are ;

- Financial accounting
- Management accounting

Conclusion

Many people have the impression that Financial management is just about keeping accounting records but it is an important part of programme management and must not be seen as a separate activity left to financial staff.

Anonymous