necessary to depart from the pattern of spending originally approved in the estimates.

We suggest that this same process could be reversed where, in the opinion of the Senior Committee, a head of a post, or other responsibility centre reporting at the level of Assistant Under-Secretary, has demonstrated that he is incapable of properly exercising the authority given to him or of adhering to the regulations and guidelines governing departmental spending.

It should be kept in mind in this connection that one of the costs or calculated risks associated with the decentralization of authority is the fact that heads of responsibility centres are going to make mistakes - particularly during the early stages of the process. Most of these will be errors of judgment. Such mistakes should be condoned - as long as they are not repeated and are not an obvious violation of a regulation or departmental directive.

Where the latter occurs, we believe the Department should have no hesitation in withdrawing authority from the head of the responsibility centre to the extent required to bring the situation under control again. In the final analysis, it is the Secretary of State for External Affairs and his Under-Secretary who are accountable for the way in which departmental funds are spent. They must be satisfied that these expenditures are being made in accordance with the purposes for which the funds were appropriated by Parliament and in accordance with government policy relating to the expenditure of funds.