

Short of any real disciplinary action, there are really only two effective methods of impressing upon managers the fact that accountability means something. One is to convince them that their ability as a manager of resources has a definite and important bearing on their future advancement. The other is to withdraw authority from them if they show themselves to be incapable of exercising it properly.

Since an individual's abilities in many areas must be weighed in assessing his capacity for advancement, we would not want to suggest that his ability to manage resources should be given any greater weight than its importance in the Department of External Affairs deserves. However, we suggest that it should be a factor and that it should be made clear to the individuals concerned that it is a factor.

On the other hand, withdrawal of authority to approve expenditures from a Head of Post (or Division) would not have a major effect on the ability of the staff concerned to carry out their responsibilities. It would, however, serve as enough of an inconvenience to provide an incentive for Heads of Post to take a personal interest in ensuring that post funds are not misused.

We have suggested in our report that greater expenditure authority should be delegated to heads of responsibility centres in stages. In the case of posts, the first stage would be freedom to spend up to the limit provided within each standard object of expenditure but not to transfer funds between standard objects. The ultimate stage would provide freedom to transfer funds freely within an operating budget and a capital budget for each post - always subject, of course, to the need to explain and justify to higher authority why it was