

is unwarranted. Unless this negative outlook - which in many instances has become an obsession - can be eliminated and faith in the essential element of human integrity restored, it is unlikely that any new system of financial management can be implemented successfully. There is not much profit in delegating more authority to employees who are too intimidated or too frustrated to use it effectively.

What seems to be required is a completely different approach. The basic postulate should be that responsible employees are honest, rather than dishonest; and that although they are accountable for the performance of their duties, the latter will be assessed on a positive basis of results rather than the negative standard of reduced expenditures. It will, of course, take time to inculcate in the service the conviction and the confidence necessary to make these criteria effective. But the first steps can and will be taken in the implementation of the Woods Gordon report. It becomes the occasion for abandoning the somewhat paternalistic and condescending postures which have been and still are much too characteristic of the relations between financier and executive officer. The new concepts will not be simply imposed on posts abroad through a gigantic manual of regulations and guidelines. Successful implementation of the system will depend on a working partnership between the financial experts in Ottawa and the program expert at the post abroad; there will be no room in such an association for petty posturing or archaic attitudes toward financial responsibility.

Accountability

The other side of the coin must be noted as well.

The technical term for our new system of financial management is responsibility accounting, the definition of which can be found later in this handbook. However, the terminology serves to emphasize that the system rests on responsibility and accountability.