

METHOD OF CARRYING OUT THE SURVEY

The first phase of the survey was devoted to a general review of the way in which the Department is presently functioning and a thorough review of the Department's present system of financial management. During this phase we interviewed all heads of divisions and contacted all heads of posts to obtain their opinions on the present system and their suggestions for improving it. We also obtained information, through the embassies concerned, on the financial management system followed by a number of other governments in their foreign affairs operations, with particular emphasis on the degree of financial authority delegated to the heads of their missions abroad. In addition, we visited a number of posts in the United States and South America and obtained first hand opinions and impressions on their financial management procedures and problems.

After analyzing the information and opinions obtained in this manner, we examined a number of alternative organizational arrangements that could be used as a basis for developing a responsibility accounting structure for the Department. We discussed these with a selected group of senior departmental officials. Out of these discussions emerged a set of basic concepts and an organizational framework that appeared to offer a workable arrangement for developing the desired structure. These were incorporated into a discussion paper along with an illustration of how they would work if applied to the Department's Program Review and Estimates Procedures.

The discussion paper was circulated to the Senior Committee, heads of divisions and the Treasury Board. This resulted in general agreement that the proposed structure provided an acceptable basis for developing the suggested financial management system in further detail.