

Thus, through the mechanism of the budget, top management is able to exert its directing and coordinating authority, and to ensure efficiency in the use of resources while at the same time the operating manager preserves the autonomy necessary for his effectiveness.

### Is This Financial Management?

Before proceeding to an examination of how the concept of budgetary control is to be applied in the Department of External Affairs, it is worth noting that its scope is greater than traditional financial management.

If budgetary control were to be swept into the function called "financial management" then clearly it must be a "financial management" much more broadly defined than heretofore in government. As described, budgetary control involves the objectives and goals of the organization and the tasks of the units in the organization - not merely the estimating and accounting of money. It provides a framework for "general" as well as "financial" management. It makes possible the clarification and formalization of the responsibilities of each unit in the Department and of the various levels of authority.

On the other hand the principal medium of budgetary control is the budget, clearly a financial document. Too, the whole process of budgetary control is scheduled within the financial calendar of government - program review, estimates, public accounts. Thus, it is possible to think of budgetary control as nothing more than "financial management". This is semantics.

What precedes and follows the budget document itself makes of this process an integrated system of management; determination of objectives and goals to begin with, advance planning of operations before budgeting; autonomy for each manager as the new year