

it can also be used, and obviously is used, in any organization where senior management delegates the authority to do a given job to a specific individual and provides him with the manpower and other resources (in the form of an approved budget) to do the job.

Thus, responsibility accounting is more of an organizational concept, to be used in conjunction with some form of budgetary control, than a specific technique for improving management effectiveness. It is the vehicle by which departmental management can share its workload and hold individuals accountable for carrying out given tasks. When formally constituted, a responsibility accounting structure consists of a set of responsibility centres, with the head of each centre being delegated certain specific responsibilities and authorities.

In a government department, responsibility centres are normally recognized organizational entities such as a branch, division or section. The head of an organizational unit, such as a branch, which consists of a number of divisions, some or all of which are responsibility centres, is also considered the head of a responsibility centre (the branch). However, to avoid confusion, we refer in this report to such collections of responsibility centres as "responsibility groups".

Applicability to the Department of External Affairs

In assessing the applicability of the program budgeting concept to a department like External Affairs, one of the first questions that should be asked is whether an analytical management tool of this sort is the most appropriate one to use in the planning and control of an operation in which cost-benefit relationships and indicators of effectiveness