

world events from Canadians (as highlighted in Risk 2: Safety and Security).

As described in Risk 10: Partner Alignment, as other areas of government continue to have a presence on the international stage (Agriculture, provinces), DFAIT must increase its coordinator and platform-provider roles. Other examples of areas where DFAIT is experiencing growth include trade litigation, communications, supporting conferences, and addressing ATIP and correspondence requests. Often, there is an expectation that the additional resources required to comply with Central Agency requirements will be absorbed by the Department, thus additional resources are not allocated by the Centre and must come out of DFAIT's existing resource base.

### **Lack of Resource Allocation Mechanisms**

Resource allocation mechanisms beyond the Program Activity Architecture (PAA) level are not clear, making it difficult to clearly identify or articulate how resources are to be allocated at the local level. This condition is exacerbated by high-level priorities that have a tendency to multiply when they are cascaded down, so that a single entity may have too many priorities to realistically be able to address within the given resource base. Further, in some instances, the communication of priorities lags, making it difficult to allocate resources in a timely fashion, as described above.

Management processes and systems are not in place to enable the anticipation of where to evaluate, allocate, and monitor resources in response to operational demands or the addition of new priorities. In addition to which, there is a culture of managing budgets in silos (e.g. there lacks consultation between HQ and the field) which limits DFAIT's ability to take strategic, holistic, timely reallocation and alignment decisions. Taken together, these factors diminish DFAIT's ability to reallocate resources between branches in support of priorities.

### **Budget Management Culture**

DFAIT's budget appears large given the nature of its mandate and the high proportion of assessed contributions. Budgeting decisions are made incrementally based on historic budget levels rather than on the basis of strategic allocation of resources to priorities or activities.