CANADIAN FORCES COLLEGE / COLLÈGE DES FORCES CANADIENNES
CSC 30 / CCEM 30

MASTERS IN DEFENCE STUDIES – RESEARCH PAPER/
MAÎTRISE EN ÉTUDES DE LA DÉFENSE — PROJET DE RECHERCHE

ACCOUTABILITY: HOW IS NDHQ DOING?

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30 April 2004

ABSTRACT

DND and the CF have been subjected to numerous organizational changes since the mid-60s leading to a crisis of accountability which has been most apparent at the senior level in NDHQ. This crisis prompted the commissioning of a number of reports aimed at correcting the poor state of accountability in the organization. This paper will argue that despite marked efforts to improve, NDHQ still does not have effective accountability. Though different definitions of accountability exist depending on the field of study, the OAG has developed a practical framework which will be used as the standard for the evaluation NDHQ's performance. Failures in accountability are often linked to unclear roles and responsibilities, vague and divergent expectations, and poor feedback. Selected programs will be measured against the OAG framework resulting in the observation that the poor governance born from the reforms instituted since the mid-60s, and the lack of a mature culture of accountability are the main causes for the poor accountability in NDHQ. Comprehensive processes and a strong value framework will be required to transition toward effective accountability.

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INTRODUCTION

"National Defence Headquarters (NDHQ) is at the centre of defence policy making, command of the Canadian Armed Forces (CF) and defence administration."[1] It is a large organization where different aspects of national defence co-exist and often overlap[2], where authorities originate from various sources,[3] and where responsibilities ultimately are related to the deadly use of force. It is not surprising then that such an organization has been over the years the subject of studies and reforms aimed at improving its efficiency.

NDHQ over the past 40 years has been through integration and unification, down-sizing and budget cuts, amalgamation and re-engineering,[4] and these changes have affected the symbiotic structure and relationship on the two entities present in the headquarters, the Department of National Defence (DND) and the CF. This litany of change from the mid-60s on created the environment leading to a major crisis of accountability. The magnitude of this crisis, however, only became apparent in the mid-

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[1] Douglas L. Bland, *National Defence Headquarters, Centre for Decision* (Canada: Ministrer of Public Work and Government Services Canada, 1997), ix.

[2] Douglas L. Bland, *National Defence Headquarters, Centre for Decision*, . . ., ix.

[3] For example the National Defence Act, the Federal Administration Act, the Queen's Regulations and Orders.

[4] A detailed account of the structures and relationships of the civilian and military authorities during the period of 1947 to 1985 can be found in Douglas Bland, *The Administration of Defence Policy in Canada, 1947 to 1985* (Kingston: R. P. Frye Co.). Also from Bland*, National Defence Headquarters, Centre for Decision* (Ottawa: Public Works and Government Services Canada, 1996) provides a succinct review of the evolution of the key decision makers, concepts and factors affecting the making of defence policy and administration and command of the CF. The Chief of Review Services Report covers the restructuring and re-engineering effort under taken by MCCRT and is available at http://www.dnd.ca/crs/pdfs/ndhq99eo_e.pdf.

90s during the Inquiry into the Deployment of Canadian Forces to Somalia. As a result,

several reports were commissioned to look at the reasons for the crisis and for ways to

correct, among other failings, the poor state of accountability. The implementation of

those recommendations accepted by the Government saw a number of mechanisms put in

place to address accountability deficiencies. These recommendations, however, were for

the most part implemented independently from one another, faced competing interests for

resources, had to be prioritized against other Treasury Board's initiatives, and had to

wrestle with the complexity and unique culture of NDHQ. Herein lies the question at

hand: how is NDHQ now doing in matter of accountability?

This paper will argue that despite its marked efforts, NDHQ still does not have

effective accountability. While the rendering of account, "to answer for "[5] is clear and

simple to understand, effecting accountability is somewhat more complex. As the

Somalia Commission of Inquiry described it "accountability is a mechanism for ensuring

conformity with standards of action."[6] Viewed as a mechanism, therefore, it is more

difficult to ensure that all the parts in the accountability system are working together or

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[5] *The Oxford English Dictionary* (New Edition); available from http://dictionary.oed.com; Internet, accessed 8 April 2004. In their on-line version, the OED defines accountability as "the quality of being accountable; liability to give account of, and answer for, discharge of duties or conduct."

[6] *Dishonoured Legacy: the Lessons of the Somalia Affair, Report of the Commission of Inquiry into the Deployment of Canadian Forces to Somalia* (Ottawa: Minister of Public Works and Government Services Canada, 1997), 380; on-line; available from http://www.forces.gc.ca/site/Reports/somalia/index_e.asp; Internet; accessed 27 October 2003.

that the process is clearly understood.[7]

Accountability is a mechanism that requires the responsible person to demonstrate what has been achieved and how it has been done. To be effective, accountability must begin with the assertion of clear roles and responsibilities, and the provision of agreed upon performance expectations matched with the appropriate authorities, skills, and resources. There is, however, more to it than the answering for responsibilities; effective accountability involves review and feedback on one's performance, including the implementation of appropriate corrections, and the enforcement of appropriate consequences – good or bad – for the individual accountable.[8]

This more comprehensive perspective on accountability allows you to go beyond the what has been done by whom to also look at the impacts and effects of the decisions and actions of those responsible. In keeping with this result-based approach, the Office of the Auditor General of Canada (OAG) proposed, in their December 2002 Report, an enhanced definition that describes accountability as "a relationship based on obligations to demonstrate, review, and take responsibility for performance, both the results achieved

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[7] *The Oxford English Dictionary* (New Edition); available from http://dictionary.oed.com; Internet, accessed 8 April 2004. In their on-line version, the OED defines mechanism as "the interconnection of parts in any complex process; a system of mutually adapted parts working together in a machine or in a manner analogous to that of a machine."

[8] Office of the Auditor General of Canada. *The December 2002 Report of the Auditor General of Canada to the House of Commons, Chapter 9 - Modernizing Accountability in the Public Sector* (Ottawa: Minister of Public Works and Government Services Canada, 2002), 1; available from http://www.oag-bvg.gc.ca/domino/reports.nsf/html/02menu_e.html; Internet; accessed 24 January 2004.

in light of agreed expectations and the means used."[9] This definition forms the basis of the accountability framework against which actions and decisions taken in NDHQ can be measured.

Getting accountability right is critical to getting NDHQ to work right. Why? Because in a properly functioning organization, accountability is essential for the stability of that environment.[10] Answering for one's decision or conduct "works as a self-regulating influence because public face is important in all cultures."[11] How much trust can be placed in an organization will greatly depend on whether the results of authorities' actions are known and validated, in addition to the learning that has been gained and how those in charge have applied it.[12] Public trust in a government organization is important to support its continuation. NDHQ then might well be in trouble.

While NDHQ has its own accountability framework, the OAG accountability framework and process provide better means to evaluate how NDHQ fares on the subject. Selected programs - contract services, human resource management, capital, governance, and ethics - were measured against the OAG framework resulting in the observation that there were two main causes for ineffective accountability in NDHQ: poor governance,

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[9] Office of the Auditor General of Canada. *The December 2002*, . . ., 7.

[10] *Dishonoured Legacy: the Lessons of the Somalia Affair, Report of the* Commission, . . ., 380.

[11] Citizens' Circle for Accountability, *Why We Need Adequate Public Answering*, n.d.; available from http://www.accountabilitycircle.org/whyweneed.html; Internet; accessed 10 April 2004.

[12] Citizens' Circle for Accountability, *Why We Need Adequate Public Answering*, n.d.; available from http://www.accountabilitycircle.org/whyweneed.html; Internet; accessed 8 April 2004.

and the lack of a mature culture of accountability. Intense efforts took place in NDHQ

over the past decade to correct the cumulative effect of failures in accountability; the

search for an understanding, and ways to improve accountability however, goes much

further back. Before evaluating accountability in NDHQ-managed programs, the history

leading to the current NDHQ accountability framework, and the concept of accountability

- from various fields of study, the OAG, and NDHQ - will be examined briefly to ensure

a common understanding of the context.

HISTORICAL BACKGROUND

The requirement to render account is as old as ancient society when government appeared as a part of human history roughly 6,000 years ago.[13] The roots of a codified concept of accountability can be traced back to the creation of charters in the 1600s. At the time, various corporations were chartered in England with a designated public purpose, such as establishing colonial enterprises, toll roads, banks, colleges, etc, for which the sovereign was able to exact accountability when desired. As corporations grew in size in the 1800s, professional managers and accounting specialists charged with the preparation of reports were introduced to keep track of business.[14]

In contrast, the notion of public accountability in Canada is relatively recent. The earliest parliamentary debate related to accountability appears to have taken place in 1921 in regards to the government-owned Canadian National Railways and the acquisition of other financially troubled railway companies.[15] The Glassco Commission in the early sixties, however, with its focus on the costs of individual programs within departments rather than on detailed expenditures is probably the first time accountability in public administration was discussed in a deliberate manner.[16]

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[13] Leclerc, G., et al,. *Accountability, Performance Reporting, Comprehensive Audit: An Integrated Perspective* (Ottawa: CCAF-FCVI Inc., 1996), 49.

[14] The Stakeholder Alliance. *A Brief History of Corporate Accountability*; available from http://www.stakeholderalliance.org/history.html; Internet; accessed 14 January 2004.

[15] Leclerc, G., et al,. *Accountability, Performance Reporting, . . .*, 49.

[16] *Ibid,* 49.

The OAG, created in 1878 to ensure government accountability, followed a parallel evolution. Its original function was "to examine and report on past transactions and to approve or reject the issue of government cheques."[17] With the creation of the Treasury Board in 1931, the OAG then became responsible for reporting on how collection and distribution of public funds were handled. Its mandate was further expanded when a new legislation in 1977 made the Auditor General responsible for examining how well the government managed its affairs.[18] This expanded mandate was a reflection of the public's increased expectations in fair and full disclosure. The government was compelled to render account about how its policies were implemented and its affairs managed, including those of National Defence.

NDHQ has been subjected to numerous organizational changes over the past four decades in addition to the fiscal restraints and new management practices imposed on the overall Department and CF. The key changes that affected the structure of the defence headquarters began with the creation of a single Department National Defence (DND) in 1946, the Integration and the Unification of the CF in the mid-60s, the amalgamation of the CF and DND headquarters into a single organization in 1972, and the re-engineering reforms implemented in the mid-90s. Recommendations from the Somalia Board of Inquiry also produced an impact on NDHQ. Each re-organization, intended "to improve

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[17] Health Canada. *Science Advisory Board Meeting November 1998. Appendix D- Presentation: Activities of the Office of the Auditor General and the Office of the Commissioner of the Environment and Sustainable Development related to HPB*, 5; available from http://www.hc-sc.gc.ca/sab-ccs/nov1998_meeting_e.html; Internet; accessed 20 January 2004.

[18] Health Canada. *Science Advisory Board Meeting November 1998. Appendix D, . . .*, 5.

efficiency and effectiveness,"[19] undoubtedly left its mark on the accountability

mechanisms within NDHQ by changing how the parts in the system interrelated.

The first significant reform came post-World War II, when Brooke Claxton, then

Minister of National Defence (hereafter refer to as Minister), faced with downsizing the

Canadian military forces and its bureaucracy, regrouped the three separate service

departments under a single Department National Defence (DND). Claxton's reform was

also driven by the wish for a unified source of military advice. During his term as

Minister:

> [Claxton] re-established the DND as a single organization, he restored a central
> defence civil service, and in 1951 he appointed a chairman of the Chiefs of Staff
> Committee to try to find some consensus among the single-service Chiefs of Staff
> on the issues that the department faced. Perhaps his most significant unifying
> action was to have the National Defence Act re-written as the basis for "common
> laws and regulations governing the armed forces and the code of service
> discipline" replacing the separate acts governing the three services.[20]

These initial unification efforts provided a better foundation for accountability to be

exercised, but there were more re-organizations to come that would reduce the number of

actors involved in the relationship. Paul Hellyer, Minister of National Defence from

1963 to 1967, would carry out part of these reductions.

The passing of Bill C-90 – Integration, in 1964, amended the National Defence

Act by appointing a single Chief of Defence Staff with authority over the three services,

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[19] Bland, *National Defence Headquarters, Centre for Decision*, . . ., 39.

[20] G.E. Sharpe and Allan D. English. *Principles for change in the post-Cold War command and control of the Canadian Forces* (Winnipeg: Canadian Forces Training Materiel Production Ce

and rationalized the command and management structure of the military forces by creating the Canadian Forces Headquarters (CFHQ).[21] The subsequent Bill C-234 – Unification had the effect of abolishing the three existing services by replacing them with the creation of a single Canadian Armed Forces.[22] These changes reduced the number of advisors reporting to the Minister and "proved reasonably successful in managing and controlling defence policy and the CF"[23] thereby improving the lines of accountability.

Having two separate organizations reporting to the minister was not what Donald Macdonald (Minister of National Defence 1970-1972) considered practical, as he believed that "the Deputy Minister should play a larger role in policy matters and in the administration of the CF to free the Minister for other political duties."[24] Also, MacDonald wanted to "gain control of the policy options given to the Minister."[25] The Management Review Group was established to make recommendations on a re-organization that would improve efficiency in management to "overcome resources inadequacies."[26] The result was the amalgamation of the civil service and the military headquarters. This change, however, was done without amending the NDA to clearly set

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[21] *Task Force on Review of Unification of the Canadian Forces : Final report*, 15 March 1980 (Ottawa: The Task Force, 1980), 5.

[22] *Task Force on Review of Unification of the Canadian Forces, . . .*, 6.

[23] Bland, *National Defence Headquarters, Centre for Decision, . . .*, 40.

[24] *Ibid*, 40.

[25] Bland, *The Administration of Defence Policy in Canada, . . .*, 61. Government attributed to some extent their resources difficulty in meeting defence objectives to an unmanageable administration system in DND and the CF.

[26] Bland, *The Administration of Defence Policy in Canada, . . .*, 62.

out the relationship between the Chief of the Defence Staff and the Deputy Minister in a single National Defence Headquarters (NDHQ). It is this ambiguity in the relationship and civilianisation of the military command that would be at the origin of many problems of accountability.[27] It would not, however, be the end of reorganization activities for NDHQ.

The decades of the 70s and 80s saw a series of reviews and Defence White Papers that resulted in various reorganizations. Some argue that by the early 1990s, the CF were in their worst shape in recent history, with an ad hoc command and control of operation and a dysfunctional NDHQ.[28] Faced with budget pressures, the government directed in the 1994 White Paper significant cutbacks, including important reductions in NDHQ. Once more, major organizational changes were implemented based on recommendations made by the Management, Command and Control Re-engineering Team (MCCRT). Those reforms included significant personnel reduction by focusing on core business and alternate service deliveries, presumed a heavy reliance on teamwork and information systems, and introduced popular private-sector management concepts such as total quality management.[29]

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[27] Bland, *National Defence Headquarters, Centre for Decision*, . . ., 41.

[28] G.E. Sharpe and Allan D. English, *Principles for change in the post-Cold War*, . . ., 9.

[29] Rostek in G.E. Sharpe and Allan D. English, *Principles for change in the post-Cold War*, . . ., 12.

The impact of the re-engineering, and sometimes the inability to fully implement the MCCRT's recommendations were dramatic, and left notable problems: reductions in personnel were achieved without the associated reduction in workload, inappropriate business concepts for military planning process were implemented, confusion still existed over relationships and some accountability concepts, low morale and high stress developed.[30] It is this almost constant series of changes that left gaps in the organizational relationships within NDHQ, distorted the institutional milieu, and diminished operational capabilities; issues that did not really surface until the debacle that occurred in the spring of 1993 during the UN deployment of the Canadian Airborne Regiment to Somalia.

When the death of a young Somalian in the custody of the unit, followed by the suicide attempt of one the soldier allegedly responsible for the tragic event, came to the attention of the public, the government of the day was forced to launch a public inquiry into the events in Somalia and the subsequent handling of the matter by officials in DND. The Somalia Commission of Inquiry started in March 1995 and published their report in June of 1997.[31]

> . . . the leadership errors in the Somalia mission were manifold and fundamental: the systems in place were inadequate and deeply flawed; practices that fuelled rampant careerism and placed individual ambition ahead of the needs of the

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[30] G.E. Sharpe and Allan D. English, *Principles for change in the post-Cold War*, . . ., 27-30.

[31] *Dishonoured Legacy: the Lessons of the Somalia Affair, Report of the Commission of Inquiry into the Deployment of Canadian Forces to Somalia* (Ottawa : Minister of Public Works and Government Services Canada, 1997); on-line; available from http://www.forces.gc.ca/site/Reports/somalia/index_e.asp; Internet; accessed 27 October 2003.

mission had become entrenched; . . .; subordinates were held to standards of accountability by which many of those above were not prepared to abide.[32]

Accountability became a major theme in the Commission of Inquiry's report.[33]

With the Somalia incident not quite forgotten, other scandals where brought to the attention of the public such as hazing ceremonies of the Airborne Regiment, the misconduct of Lieutenant-Commander Marsaw, the allegation of abuse in the Bakovici Hospital in Bosnia-Herzegovina, and cases of wasteful spending and excess by senior officers and officials, specially those of the Deputy Minister, Mr. Robert Fowler. Clearly there were problems of leadership and accountability at the senior level. This prompted the commissioning of a number of reports aimed at recommending remedies for the state of accountability within the defence organization.[34] These recommendations and the Minister's response, captured in *A Commitment to Change - Report on the Recommendations of the Somalia Commission of Inquiry,* generated several renewal

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[32] *Dishonoured Legacy: the Lessons of the Somalia Affair, Report of the Commission*, . . ., ES-1.

[33] *Ibid*, ES-16 - ES-18. The Commission of Inquiry's report noted significant deficiencies in the area of accountability including: inconsistent and ineffective official reporting and record-keeping, opposition toward the principle of access to information with a desire to control the flow of information, poorly defined and understood duties and responsibilities in NDHQ including the requirement to supervise and monitor, shrouded internal audits and program reviews, ineffective mechanisms for parliamentary oversight, deficiencies in the operation of some indirect accountability mechanisms, poor leadership in matters of accountability and an accountability ethic in the upper military, bureaucratic, and political echelons, and no mechanisms encouraging timely reporting to specified authorities and procedures to follow up on those reports.

[34] The commissioned studies were also looking at issues related to leadership and responsibility. These reports included: Leadership and Management of the Canadian Forces; Authority, Responsibility and Accountability; Report of the Special Advisory Group on Military Justice and Military Police Investigation Services; and a Compendium of Changes in the Canadian Forces and the Department of National Defence.

programs within DND to regain credibility and trust,[35] and coincided with other initiatives related to improving accountability such as the development of a Defence Ethics Program, and the implementation of the Treasury Board's modernization of comptrollership initiative concurrently with the review on the delegation of authority and the devolution of the single operating budget. These undertakings resulted in another round of efforts to improve accountability.

To ensure proper oversight of these reforms, the Minister of National Defence, at that time the Honourable Art Eggleton, directed that an external group monitor progress. Accordingly, in October 1997, the Minister's Monitoring Committee on Change in the Department of National Defence was created. Its mandate was to "observe, verify, and assess the success of the implementation process and the effectiveness of the results against the Minister's own stated objectives and to advise the Minister on improvements (if any) to the plan or the process."[36]

Overall, the Committee addressed some 20 recommendations specifically related to accountability including: the separation of responsibility between the Deputy Minister and the Chief of the Defence Staff, the stepping up of complaint resolution, strengthened review, better means of redress and the establishment of an ombudsman, and provision

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[35] These initiatives included the appointment of an Ombudsman, the establishment of a CF Grievance Review Board, modifications to the CF appraisal system, the publication of the Organization and Accountability Guidance, and Professional Development Renewal activities.

[36] Department of National Defence, *Minister's Monitoring Committee on Change in the Department of National Defence and the Canadian Forces, Final Report 2003* [Report on-line]; available from http://www.forces.gc.ca/site/reports/mmcc/final_report_e.asp; Intenet; accessed 5 February 2004.

for individual freedom of expression consistent with good order and discipline.[37] In the

1999 *Final Report* the Chairman concluded that:

> We [the Committee] believe that the reform program is gaining momentum and, in our judgement, many of the actions called for in the various reports and inquiries we have monitored have substantially been met by the Department and the CF. Assessment of success, however, should not be based only on how many ministerial decisions have or have not been implemented. Rather, it should take into account the degree to which the institution has integrated reform into its culture and its way of carrying on its daily business.[38]

The Monitoring Committee further reported that it was "impressed" with Part IV of the

1999 guidance document entitled *Organization and Accountability Guidance for*

Members of the Canadian Forces and Employees of the Department of National Defence

where the context and principles of authority and accountability were discussed.[39]

The report of the Somalia Commission of Inquiry revealed a number of serious

problems and generated significant efforts to rectify these problems particularly in the

area of accountability. It also went to great lengths to explain the notions and principles

of accountability, adding that in a properly functioning organization "there should be

accountability for individuals' actions regardless of whether those actions are executed

properly and lead to a successful result or are carried out improperly and produce

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[37] Department of National Defence, *Minister's Monitoring Committee on Change in the Department of National Defence and the Canadian Forces*, *Final Report 2003*, ...

[38] Department of National Defence, *Minister's Monitoring Committee on Change in the Department of National Defence and the Canadian Forces, Final Report 1999*, Part one The Minister's Reform Program: Canada's Military at a Crossroads; available from http://www.forces.gc.ca/site/reports/mmcc/monitor_com_final/eng/cover_e.htm; Internet; accessed 13 April 2004.

[39] Department of National Defence. *Minister's Monitoring Committee on Change*; home page; available from http://www.forces.gc.ca/site/reports/mmcc/index_e.asp; Internet; accessed 5 February 2004.

injurious consequences."[40] There are, however, other views on accountability which are worth exploring before deciding on a definition that will provide the frame of reference to measure whether these efforts have achieved effective accountability.

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[40] *Dishonoured Legacy: the Lessons of the Somalia Affair, Report of the Commission, . . .*, 380-381.

ACCOUNTABILITY DEFINED

There are many interpretations of what accountability is depending on whether

they are drawn from the fields of political science, philosophy, sociology, management

science, or public administration. "Each of these disciplines has something important to

say on the subject,"[41] but often they are limited to a specific aspect of the concept and are

expressed in the technical language of that field of study.[42]

In its simplest form, accountability is derived from the verb to account in the

sense of "to render a reckoning; to answer for discharge of duty or conduct; to give a

satisfactory reason for, to explain."[43] Yet, uninformed views often perceive

accountability as the process for assigning blame and reprimanding wrongdoing.[44] The

Somalia Commission of Inquiry on the other hand viewed accountability as a process,

and defined it as a "mechanism for ensuring conformity with standards of action."[45]

Contrast this to a behavioural sciences perspective where accountability is

discussed in relation to the notion of responsibility. Behavioural sciences also

differentiates the aspect of imputation – who did it and why? – to emphasize the aspect

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[41] Leclerc, G., et al,. *Accountability, Performance Reporting, . . .*, 3.

[42] *Ibid,* 4.

[43] *The Oxford English Dictionary* 2nd ed. (1989); available from http://dictionary.oed.com; Internet, accessed 13 April 2004.

[44] Treasury Board of Canada Secretariat, *Modernizing Accountability Practices In The Public Sector*; available from http://www.tbs-sct.gc.ca/rma/account/oagtbs02_e.asp#Purpose; Internet; accessed 5 February 2004.

[45] *Dishonoured Legacy: the Lessons of the Somalia Affair, Report of the Commission, . . .*, 380.

answerability – "who is deserving of positive or negative treatment because of the

event."[46] For instance, Schlenker in his "Triangle model of Responsibility" explains that:

> Accountability refers to being answerable to audiences for performing up to
> certain prescribed standards, thereby fulfilling obligations, duties, expectations,
> and other charges. When people are accountable they can be made to explain and
> justify their conduct, and their behavior [*sic*] can be scrutinized, judged, and
> sanctioned by audiences.[47]

In Schlenker's model, accountability is based on three elements. These elements are:

clear prescriptions applicable to an event, an actor feeling bound by the prescription

because of his/her identity, and the actor's connection to the event through personal

control.[48] Schlenker further defines accountability by examining how event, prescription

and identity are linked, with the understanding that a rupture in one of the link represents

a failure of accountability.

Pigeau and McCann provide another behavioural example of accountability in

their article on command and control where they discuss responsibility. They articulate

that externally imposed responsibility, called extrinsic responsibility, involves the

obligation for public account up the chain of command. Pigeau and McCann emphasize

that:

> Although legal authority implies accountability, extrinsic responsibility is not
> synonymous with accountability. Rather, extrinsic responsibility refers to a
> person's willingness to be held accountable for resources — that is, their
> willingness to take responsibility for the legal authority that comes with the

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[46] Schlenker, *et al*, "The triangle Model of Responsibility," . . ., 633.

[47] Barry R. Schlenker, *et al*, "The triangle Model of Responsibility," *Psychological Review* 101, no. 4 (1994): 634.

[48] Schlenker, *et al*, "The triangle Model of Responsibility," . . ., 634-635.

position. Intrinsic responsibility on the other hand is internally generated and is the degree of self-generated obligation that one feels towards an undertaking.[49] Interestingly, C.E.S Franks, a noted political scientist, also makes a distinction between similar concepts - objective versus subjective accountability. In the former case someone is responsible for something and accountable to somebody through a clear and formal mechanism. In subjective accountability, it is the sense of duty toward the profession of public service that defines a person's conduct, even though there is no formal enforcement.[50]

A time-tested definition of public accountability is the 1975 definition developed by the Wilson Committee[51] which states that accountability is "the obligation to answer for a responsibility that has been conferred. It presumes the existence of at least two parties: one who allocates responsibility and one who accepts it with the undertaking to report upon the manner in which it has been discharged."[52] This definition has been widely accepted in public administration, and offers the advantage of distinguishing between the obligation to answer which is a reporting obligation, and responsibility which is the obligation to act.

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[49] Ross Pigeau, and Carol McCann. "Re-conceptualizing Command and Control," *Canadian Military Journal* 3, no. 1 (Spring 2002): 59-60.

[50] Leclerc, G., et al,. *Accountability, Performance Reporting, . . .*, 48.

[51] The Independent Review Committee on the Office of the Auditor General of Canada prepared a report that was instrumental in updating the mandate of the Auditor General in the mid-1970s and included a definition of accountability which has been widely used since.

[52] Leclerc, G., et al,. *Accountability, Performance Reporting, . . .*, 48.

The downside with the Wilson definition, however, is that it limits the answerability to those responsibilities "conferred" and doesn't include accountability for actions outside of what has been formally assigned.[53] Further, it does not adequately address the holding of account (the "so what?") - the review, the learning and the consequences of actions or decisions. Wilson's institutional perspective implies the faithful obedience to laws, regulations, superior's directions and standards of efficiency.[54]

Accountability can be said to be an indispensable value in public administration because of the large concentration of power in non-elected senior bureaucrats entrusted with significant responsibilities and authorities. As stated in the Somalia Commission of Inquiry report "[t]hose exercising substantial power and discretionary authority must be answerable . . . for its use. . . . Accountability provides a vehicle for preventing, or at least controlling, the abuse of state power."[55]

Other disciplines will refer to accountability as ethical behaviours and strategies in response to the need to repair or overcome a damaged relationship,[56] or as the "adherence to moral standards and avoidance even of the appearance of unethical

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[53] "Keeping the Meaning of Public Accountability Clear." *The Journal of Public Accountability* 2, (February 2003) [journal on-line]; available from http://www.accountabilitycircle.org/journalissue2.html; Internet; accessed 1 April 2004.

[54] Leclerc, G., et al,. *Accountability, Performance Reporting, . . .*, 46.

[55] *Dishonoured Legacy: the Lessons of the Somalia Affair, Report of the Commission*, . . ., 380.

[56] Melvin J. Dubnick, "Accountability and Ethics: Reconsidering the Relationships," *International Journal of Organization Theory and Behavior* 6, no. 3 (Fall 2003), 408; available from http://www.andromeda.rutgers.edu/~dubnick/papers/Dubnick%202003C.pdf; Internet; accessed 17 November 2003.

anions."[57] Often though, as discussed earlier, accountability is closely associated with the notion of responsibility. It must be re-emphasized, however, that "responsibility is not synonymous with accountability."[58] Responsibility is an obligation to act; accountability is an obligation to answer for that action.[59]

Trying to effectively apply this multifaceted concept can be challenging within the intricacies of the NDHQ. There are, though, elements which repeat themselves: obligations, answerability, linkage or relationship, and responsibilities. The nature of those obligations and responsibilities may be political, statutory, contractual, social or moral. Accountability, though, consists of process elements, but at the same time it must also include a wide range of values, beliefs, and behaviours, which are important determinants of the nature and strength of accountability arrangements.[60]

Definitions of accountability have been adapted to various fields of study over the years, the need for accountability, however, has remained unchanged since these definitions were developed. How accountability is understood and how it is applied needs to be adjusted to the current management approach. Thus, a definition that will address the many aspects of accountability and captures the essence of modern

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[57] Leclerc, G., et al,. *Accountability, Performance Reporting, . . .*, 46.

[58] *Dishonoured Legacy: the Lessons of the Somalia Affair, Report of the Commission, . . .*, 381.

[59] "Keeping the Meaning of Public Accountability Clear." *The Journal of Public Accountability*, . . ., accessed 13 April 2004.

[60] Leclerc, G., et al,. *Accountability, Performance Reporting, . . .*, 4.

governance is required for NDHQ. The OAG has developed an "enhanced" definition of accountability which takes these aspects into consideration. It will be discussed in more detail next.

THE ACCOUNTABILITY PROCESS

One of the traditional interpretations of accountability discussed previously is the accounting for transactions and adherence to rules. Public sector governance is changing, becoming more focused on results, increasing discretionary authority for managers to innovate and partnering in delivering services.[61] All of these changes join to challenge the long-held views of accountability. In today's context accountability is not only just about reporting performance, but also about providing an opportunity to demonstrate achievements and stewardship. It forms part of a learning process comprised of reports, reviews, and corrective action.[62] In response to modernization pressure, the OAG in its December 2002 Report on *Modernizing Accountability in the Public Sector* introduced its concept of a modernized accountability process along with an "enhanced" definition of accountability. This definition included elements of modern management, and took into consideration the workings, the terminology, the relationships and the context particular to Canadian public administration. The OAG accountability definition lays out the foundation for effective accountability in this manner:

> Accountability is a relationship based on obligations to demonstrate, review, and take responsibility for performance, both the results achieved in light of agreed expectations and the means used.[63]

This definition will be the keystone for this paper. Therefore, the elements that make up this definition, the principles of effective accountability drawn from it, and the

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[61] Office of the Auditor General of Canada. *The December 2002 Report*, . . ., 4-5.

[62] *Ibid,* 4.

[63] *Ibid*, 5.

accountability process it supports require some explanation. It is this accountability

process that will provide the framework for evaluating how NDHQ is doing.

The OAG definition has several key ideas: relationship, obligations, results, and

expectations. It takes into consideration that accountability involves a relationship

among parties – equal, ranked, or independent – who have obligations. These obligations

can be acquired (legal, professional and contractual), can come from a sense of integrity,

or are inherent to the relationship. The first inherent obligation is to demonstrate

performance which means to pro-actively and openly report not only the results that have

been achieved, but also what means were used to achieve these results. The second

inherent obligation, to review, involves analyzing and reflecting on the results and means

used in order to learn from them. Reviewing is not an end in itself. It implies that

appropriate corrective action will be taken to adjust the expectations or delivery means,

or again that sanctions will be taken for clearly unacceptable performance. The third

inherent obligation is the acceptance of a responsibility. Its mention in the definition

emphasizes the requirement to answer for and accept responsibility for the result

produced and the means used in the effort.[64] These inherent obligations are imperative

for effective accountability, but effectiveness is a relative attribute.

This is why the term "in light of" in the OAG accountability definition implies a

comparative examination. It is therefore essential that the level of expectation be agreed

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[64] *Ibid*, 6.

to, whether formally or informally, as performance will be appraised by comparing the agreed expectations against the results reported. Finally, the OAG definition emphasized that accountability is required not only for the results produced but also for the means used in delivering the public program, that is to say how the individual used his or her authority and handled the public resources that were entrusted to him or her.[65]

As seen throughout the OAG definition and its key elements the focus is on results. This emphasis is in line with the practices of modern comptrollership and the commitments made by the government in its tombstone document *Results for Canadians* which requires that ". . . as an integrating principle, management in all departments, agencies and functions must be focused on the achievement of results and on reporting them in simple and understandable ways."[66] The table below provides a comprehensive description of the OAG definition's key elements.

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[65] *Ibid*, 6.

[66] Treasury Board of Canada Secretariat. *Results for Canadians: A Management Framework for the Government of Canada*, Section B; available from http://www.tbs-sct.gc.ca/res_can/rc_1_e.asp; Internet; accessed 17 November 2003.

Figure 1 - The Elements of Accountability

Accountability is a relationship based on obligations to demonstrate, review, and take responsibility for performance, both the results achieved in light of agreed expectations and the means used.

A relationship	Accountability involves two (or more) parties in a relationship that features certain obligations.
Obligations	All parties in an accountability relationship have obligations that imply responsibilities and consequences. In addition to the obligations inherent in the relationship (to demonstrate, review, and take responsibility), others can come from outside (such as legal, professional, contractual, and hierarchic obligations) and from an internalized sense of integrity.
Demonstrate	Demonstrating performance involves proactively reporting what results have been achieved and the appropriateness of the means used; it requires honesty, openness, and transparency. In a hierarchic relationship, this obligation is on the subordinate party.
Review	Review involves analyzing and reflecting on the reported results and the means used, and then taking appropriate action. Each party has an obligation to review. Those accounting should review to learn what is working and what is not, and should adjust their activities accordingly. Those holding to account should direct or call for any needed change. If performance is good, this could simply mean reconfirming current activities or could entail individual rewards. If performance is weak, corrective action would be expected. Review and adjustment of unacceptable performance might involve sanctions on individuals. Review can also result in revising expectations or adjusting other elements of the accountability relationship.
Take responsibility	Taking responsibility emphasizes answering for and accepting responsibility for what has or has not been accomplished and for the means used in the effort.
Results	A key focus in accountability is on the results (outputs and outcomes) accomplished or not accomplished.
Agreed expectations	The agreed expectations stem from either a formal or informal agreement on what is to be accomplished. In a hierarchic situation, one would expect a degree of discussion between the two parties as to what is reasonable and feasible, placing an obligation on the superior party to be clear about what is expected.
In light of	This emphasizes that performance is comparative. One is called on to compare what was accomplished with what was expected. Effective accountability requires disclosure: setting out beforehand what is expected and then reporting against those expectations. It also requires learning: looking *in light of the expectations* at what was accomplished or not, and what has been learned that will improve future performance.
The means used	How one delivers public services, uses authority, and handles public money are more than means of achieving results: they are ends in themselves, important reflections of public sector values and ethics. It is expected that the means used treat people fairly, are undertaken with propriety, and reflect good stewardship—that is, provide best value for money and respect the environment.

Source: 2002 Reports of the Auditor General of Canada[67]

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[67] Office of the Auditor General of Canada. *The December 2002 Report*, . . ., 6.

From the OAG's definition and its key elements emerges five principles normally associated with practices and characteristics of effective accountability. First, there must be a clear roles and responsibilities. These roles and responsibilities – duties, obligations, authorities, and tasks – must be understood and agreed upon by all parties involved in the accountability relationship. A clear understanding of the responsibilities, especially if delegated or assumed by mutual agreement in a partnership, is essential for an effective relationship; otherwise, it is difficult to establish why expectations were not met when things go wrong.[68]

A few words at this time should also be said about shared accountability. Partnering arrangements involve organizations or individuals working together toward common objectives. The partners are collectively responsible for achieving the results, and they share accountability for the outcomes.[69] "If the roles and responsibilities of each are not clear, however, shared accountability can become accountability diffused."[70] In the OAG's view, "partnering arrangements require more and not less accountability"[71] because in these arrangements each partner has several accountability obligations. There is horizontal accountability between partners, vertical accountability to their respective superiors and a combined accountability to their joint coordinating body.[72] In the case of

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[68] *Ibid*, 9.

[69] *Ibid*, 14.

[70] *Ibid*, 14.

[71] *Ibid*, 14.

[72] *Ibid*, 14.

shared accountability, therefore, clearly defined roles and responsibilities is even more critical.

The second principle that emerges from the OAG's definition is the requirement for the assertion of clear expectations. "If expectations are unclear, accountability for performance is difficult to attain."[73] Explicit expectations on the means, objectives, results and limitations must be mutually understood and agreed upon. It goes without saying that if the level of performance expected is not clear, effective accountability for performance is not possible. Agreeing on clear and concrete expectations, such as target levels, and their link to the program outcomes can easily be the most difficult aspect of the accountability relationship because there is a natural tendency to be comfortable with a general and broad statement of objectives. "Expectations that are vague are easier to report against and harder to be held accountable for."[74]

Credible reporting is the third principle identified by the OAG. The information reported should include what has been achieved in relation to the stated expectations, what means where used and what lessons were learned. How the information is to be defined, collected, verified, and analyzed should also be clarified. When the focus is on results, accountability will only be practical if the outcomes can be measured objectively

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[73] *Ibid*, 9.

[74] *Ibid*, 13.

and assessed credibly. As well, the limitations on measurement must be made clear to those reviewing the reports to ensure a better understanding of the information.[75]

The fourth principle in the OAG accountability framework is the requirement for a thorough review of performance, and ensuing adjustments. The review of performance needs to be an informed one in order to be fair, to provide adequate feedback, and to identify achievements and setbacks. The review must suggest corrective actions and where required, appropriate consequences for unacceptable behaviours or results.[76]

The last principle identified by the OAG, anchors the overall framework in reality: balanced expectations and capabilities. Unreasonable expectations in relation to the authorities, resources or capabilities to deliver services and programs will undermine the effectiveness and credibility of the accountability relationship.[77] The principles of effective accountability are summarized in figure 2.

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[75] *Ibid*, 14.

[76] *Ibid*, 7.

[77] *Ibid*, 9.

Figure 2 - Principles of Effective Accountability

Clear roles and responsibilities	The roles and responsibilities of the parties in the accountability relationship should be well understood and agreed upon.
Clear performance expectations	The objectives pursued, the accomplishments expected, and the operating constraints to be respected (including means used) should be explicit, understood, and agreed upon.
Balanced expectations and capacities	Performance expectations should be clearly linked to and balanced with each party's capacity (authorities, skills, and resources) to deliver.
Credible reporting	Credible and timely information should be reported to demonstrate what has been achieved, whether the means used were appropriate, and what has been learned.
Reasonable review and adjustment	Fair and informed review and feedback on performance should be carried out by the parties, achievements and difficulties recognized, appropriate corrections made, and appropriate consequences for individuals carried out.

Source: 2002 Reports of the Auditor General of Canada[78]

The extent to which these principles are formalized and consolidated in an accountability framework depends on each organization; however, documenting the specific arrangements ensures that the foundation of the accountability relationship is well established and will not change when individuals are re-assigned.[79] These principles are at the heart of a strong accountability framework, and are essential for an effective accountability process.

Having described the elements and principles of an effective accountability, how they are integrated in an accountability process will now be examined. The

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[78] *Ibid*, 6.

[79] *Ibid*, 10.

accountability process proposed by the OAG is built on two main components as seen in figure 3: the accountability framework and the holding to account, the latter being sub-divided into credible reporting of performance, and review and adjustment of the performance.

Figure 3 - The OAG Accountability Process
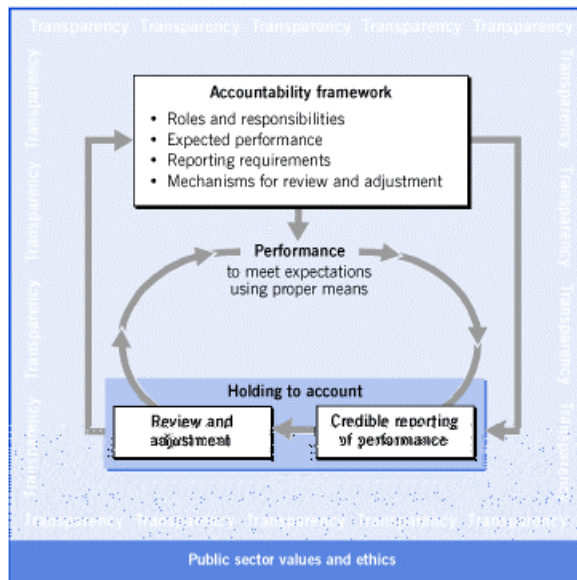
Source: 2002 Reports of the Auditor General of Canada[80]

As performance, executed in accordance with the accountability framework, is cycled through the reporting and review steps, it will generate the required feedback to make adjustments to the performance' expectations or resources. Values and ethics of the public sector are all key enablers of the accountability process.[81] These values must be shared throughout the organization to promote a common understanding of the obligations, and agreed upon expectations essential for an effective accountability

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[80] *Ibid*, 8.

[81] *Ibid*, 8. The values listed in Chapter 12 of the OAG October 2000 Reprot are fairness, honesty, probity, integrity, and fidelity to the public trust.

process.[82] Furthermore, transparency will "encourage [*sic*] ministers and managers of public programs to behave in ways that can withstand public scrutiny."[83]

The principles that make up the accountability framework have already been discussed. The second component in the accountability process is the holding to account which comprises credible reporting, reviewing, and adjusting steps. The party held to account, such as a manager responsible for delivering programs in the public service, has an obligation to report on results he or she has achieved, both financial and non-financial, with the authority and public funds entrusted to him or her. Not only must he or she report on the results achieved but also on the means used to achieve these results to ensure both were appropriate. To be credible, these reports must present an honest and balanced perspective. It is highly unlikely that everything will go according to plan. Sometimes, expectations cannot be met for valid reasons, and a balanced report will present the good as well as the poor results.[84] It is part of a learning process to ensure that knowledge is gained to avoid making the same mistake twice. Over time, this will lead to improvement and a more efficient delivery of programs. That is not to say that mistakes caused by carelessness, incompetence, or malfeasance should not call for appropriate sanctions.[85] Staying away from indifference is an inherent part of the learning process.

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[82] *Ibid*, 8.

[83] *Ibid*, 7.

Review and analysis of performance normally follow reporting, and provide the basis for adjustments in expectations or resources where and when necessary. To be valuable the review should be an informed one with the ability to draw relevant observations and lessons learned while making realistic recommendations. In addition, a fair review should identify potential rewards as well as sanctions. Sanctions and assigning blame still have a place for actions that are unreasonably risky, or consist of inappropriate behaviour or poor stewardship.[86] A lack of informed review will impede closing the accountability loop thereby preventing the parties in the relationship to account for proper performance. Without these crucial activities – report, review, and adjustment - the accountability process cannot foster a learning environment.

The principles of effective accountability making up the framework, and the components of the accountability process just discussed provide a comprehensive standard to evaluate accountability performance. This standard will be used to determine how effective NDHQ's accountability is.

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[86] *Ibid*, 12.

NDHQ ACCOUNTABILITY FRAMEWORK

The OAG accountability framework represents an ideal model. Therefore, how the actual NDHQ framework contributes to effective accountability will be explored before examining the headquarters' performance. Although there are important legislative and customary differences between DND and the CF, for the purpose of this paper these organizations will be represented by NDHQ as most accountability related procedures and reports are generated in the headquarters.

In reality, the NDHQ accountability framework is rather sketchy, and represents an ad hoc collection of procedures and structures without a coherent process. It is the product of hundreds of recommendations derived from various sources and governmental initiatives which appeared over the span of four to five years or more. Each individual recommendation or initiative was implemented independently. In the words of the Minister's Monitoring Committee on Change "each as a specific objective, developing an action plan, schedule and an achievable goal: to implement the recommendation and 'tick the box'."[87] It would be unfair to say that nothing good has come out of these efforts; therefore, the significant accountability mechanisms implemented in NDHQ will be briefly discussed.

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[87] Department of National Defence, *Minister's Monitoring Committee on Change in the Department of National Defence and the Canadian Forces, Final Report 1999*, Part one The Minister's Reform Program: Canada's Military at a Crossroads; available from http://www.forces.gc.ca/site/reports/mmcc/monitor_com_final/eng/cover_e.htm; Internet; accessed 18 November 2003.

Until 2003, the federal government's accountability framework was described in the Planning, Reporting and Accountability Structure (PRAS). The PRAS "provide[d] the basis for accountability, both internal (within the department) and external (the Minister to Parliament) for the results achieved with the resources and authorities provided."[88] Until a new accountability framework is developed, the PRAS is DND's overarching strategic management and reporting framework that links internal planning, resource allocation, and desired results.

The intent of the PRAS is to efficiently balance the resource constraints, military capabilities, and desired results to enhance strategic decision-making. It breaks down the Defence Mission into five Capability Programs (or Strategic Outcomes) - Command and Control, Conduct Operations, Sustain Forces, Generate Forces and Corporate Policy and Strategy - and identifies Key Results for each.[89] This framework provides the basis for other departmental plans and reports using the same business lines. The PRAS is currently undergoing a policy renewal process by Treasury Board because many departments have experienced difficulties with its usefulness in decision-making, alignment of resources to results, and performance measurement.[90] Nevertheless, the

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[88] Treasury Board of Canada Secretariat, *PRAS Guidelines-1996*; available from http://www.tbs-sct.gc.ca/rma/dpr/old-PRAS-vieille-SPRR_e.asp; Internet; accessed 6 March 2004.

[89] Department of National Defence, *Planning, Reporting, and Accountability Structure(PRAS) 2001*, 4; available from http://www.vcds.forces.gc.ca/dgsp/00native/rep-pub/PRAS_2001_e.doc; Internet; accessed 17 November 2003.

[90] Treasury Board of Canada Secretariat,. *Report of the Task Team- PRAS Policy Review*; available from http://www.tbs-sct.gc.ca/rma/dpr/team-equip_e.asp; Internet; accessed 6 March 2004.

PRAS provides the current basis for accountability within DND until the new Program

Activity Architecture (PAA) comes into effect to replace it.[91]

The authorities referred to in the PRAS and associated responsibilities for senior

officials in DND are described in the *Organization and Accountability Guidance for*

Members of the Canadian Forces and Employees of the Department of National Defence

Second Edition September 1999. This document describes the laws and principles

underpinning those responsibilities and accountabilities, and what are meant in practice

by accountability and reporting of results in NDHQ. It does this by first describing the

basic structure of authority and accountability of DND and the CF in order to better

understand how things work, especially in NDHQ; and then by explaining why a proper

understanding of accountability, the requirement to accept responsibilities, and learning

from mistakes is required for an effective organization. This amplification is essential in

a large hierarchical organization that depends on delegation and supervision to function.

Since the Minister and the Deputy Minister cannot personally carry out all the

responsibilities for financial administration that are conferred to them by the Financial

Administration Act (FAA), the National Defence Act (NDA) and other regulations, it has

been necessary for them to delegate some of their authorities for other managers to act on

their behalf. The *Delegation of Authorities for Financial Administration for DND and*

the CF document provides a comprehensive consolidation of the various delegated

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[91] C. Zatychec, Senior Strategic Change Analyst, 9 March 2004, personal email (9 March 2004).

authorities to facilitate the overall management of expenditures and program delivery by NDHQ's organizations and others. The document is key to defining accountability relationships in NDHQ and the rest of DND and the CF.[92] This is, however, only a small part of the framework.

Over the years, reporting requirements to government have evolved, and have been met through the Report on Plans and Priorities, the Departmental Performance Report, and departmental Financial Statements. The Report on Plans and Priorities conveys the departmental objectives, initiatives and planned results, including the resource requirements over a three-year horizon, on a Capability Program basis.[93] In other words, it explains what is intended to be achieved, and with what resources. The Departmental Performance Report outlines what has been achieved by Capability Programs against the previous year's PRAS. It also provides an understanding of DND's reporting requirement to Parliament and the Canadian public.[94] Concurrently, DND's Financial Statements and Public Accounts are prepared to present the expenditure results of the Department. The aforementioned documents are aimed at external reporting requirements, but there are also internal mechanisms worth mentioning.

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[92] Department of National Defence, *Delegation of Authorities for Financial Administration for DND and the CF* (Ottawa: DND Canada, 12 August 2002); available from http://admfincs.mil.ca/dfpp/Delegation/intro_e.asp#Overview; DWAN; accessed 9 March 2004.

[93] Department of National Defence. *Document Linkages - Departmental Plans, Priorities and Performance*; available from http://www.vcds.forces.gc.ca/dgsp/pubs/rep-pub/ddm/dppp_e.asp; Internet; accessed 22 February 2004.

[94] Department of National Defence, *The 2002-2003 Departmental Performance Report for the Department of National Defence and the Canadian Forces*, covering letter 6 November2003; available from http://www.vcds.forces.gc.ca/dgsp/pubs/rep-pub/ddm/dpr_e.asp; Internet; accessed 22 February 2004.

Synchronization has begun between a performance measurement process, based on the Performance Measurement Framework, and the business planning cycle. It incorporates the introduction of a pilot project for the implementation of a strategic-level "Balanced Scorecard" performance-management process. The Performance Measurement Framework is expected to provide DND with enhanced reporting to Parliament and internal improved decision-making, based on performance information.[95]

Another internal process is the Financial Management Accountability Framework which provides the means for senior managers to account for their financial management responsibilities to the Deputy Minister. Because of greater delegated authorities, the FMAF is the Deputy Minister's mechanism to ultimately ensure that his/her accountability obligations are met as required by the Financial Administration Act (FAA) and the National Defence Act (NDA). The Financial Management Accountability Framework defines the financial responsibilities of the manager, the Deputy Minister's expectations (information, management control, accountability, organization, and process) in addition to the managers' attestation of good fiscal management.[96]

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[95] Department of National Defence, *Department of National Defence: 2003–2004 Report on Plans and Priorities*, . . ., 4.

[96] Department of National Defence, *Departm 10agem of*

One more significant activity initiated in 1997 was the "Modern Comptrollership" initiative.[97] It was designed to encourage effective decision-making and sound management of resources by shifting the focus from a purely financial form of controls and compliance to a broader management perspective based on results and values. This "results-based" management framework was established on integrated financial and non-financial performance information, a mature approach to risk management, appropriate control systems, and a shared set of values and ethics.[98] Modern Comptrollership was really an attitude toward decision-making that incorporates managerial accounting into the process. Over the years, the Modern Comptrollership initiative has evolved into the broader concept of Modern Management, which will be soon replaced by the implementation of the Management Accountability Framework proposed by Treasury Board.[99]

Finally, although not identified in the DND framework per se, a key element in the accountability relationship is the Defence Ethics Program. Its objectives are to provide the framework for an effective ethics process and to foster an ethical culture.[100]

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[97] Office of the Auditor General of Canada, The November *2003 Report of the Auditor General of Canada* to the House of Commons*, Chapter 2 - Accountability and Ethics in Government* (Ottawa: Minister of Public Works and Government Services Canada, 2002), 12, [report on-line]; available from http://www.oag-bvg.gc.ca/domino/reports.nsf/html/03menu_e.html; Internet; accessed 11 February 2004.

[98] Department of National Defence, *Modern Comptrollership and the Department of National Defence*; available from http://www.dnd.ca/admfincs/subjects/comptrollership/intro_e.asp; Internet; accessed 7 March 2004.

[99] C. Zatychec, Senior Strategic Change Analyst, 9 March 2004, personal email (9 March 2004).

[100] Department of National Defence, *Defence Administrative Orders and Directives 7023-1, Defence Ethics Program* (Ottawa: DND Canada, 01 November 2003); available from http://www.forces.gc.ca/admfincs/subjects/daod/7023/1_e.asp; Internet; accessed 4 November 2003.

The Defence Ethics Program identifies six obligations – integrity, loyalty, courage, honesty, fairness and responsibility. The commitment made as part of the responsibility obligation under the Ethics Program is to be accountable for and accept the consequence of one's decisions and actions. The Ethics Program has been initiated to ensure better ethical decision-making and greater integrity for the CF members and DND employees,[101] which ultimately leads to better accountability.

Overall, the DND and CF Accountability Framework prevailing in NDHQ - the roles and responsibilities, the performance expectations, and the review and reporting requirements - are covered in the range of procedures and reports discussed above and conceptually represented at figure 4. They are not in most cases part of a coherent whole. Herein lies the problem: they have evolved at different times with different organizations being responsible for putting them into effect. The current accountability framework is also deficient in that it does not identify mechanisms for feedback on performance, nor allow for appropriate adjustments or consequences for the results. These deficiencies in the framework and the associated accountability process are not conducive to an effective accountability relationship. This has an impact on the delivery of programs and formulating of policy by NDHQ as will be demonstrated next.

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[101] Department of National Defence, *Defence Administrative Orders and Directives 7023-0 Defence Ethics* (Ottawa: DND Canada, 01 November 2003); available from http://www.forces.gc.ca/admfincs/subjects/daod/7023/0_e.asp; Internet; accessed 4 November 2003 and *Directives 7023-1*.

Figure 4 - Conceptual Diagram of Current DND and the CF Accountability Framework
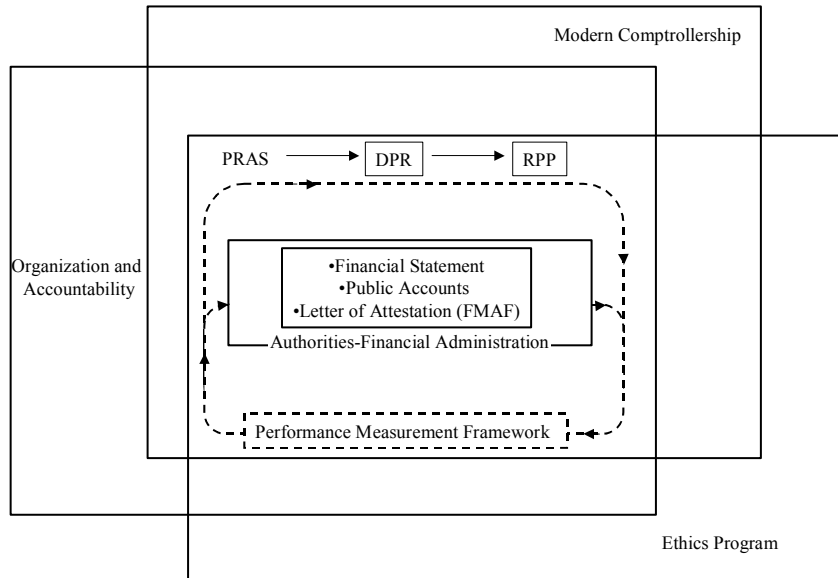
STUDY OF NDHQ-LEAD PROGRAMS

In their article on organizational effectiveness, Robert D. Herman and David O.

Renz state "effectiveness is always a matter of comparison."[102] For example, if an

organization is said to be effective, it is always in comparison, to some other

organization, to itself at a different time, or to a prescribed standard of what the ideal

organization should be. Effectiveness is normally not reduced to a single measure.[103]

According to Herman and Renz:

> Evaluation is built upon (1) indicators, (2) criteria, (3) evidence, and (4)
> judgment. The process of evaluation includes identifying important components
> (indicators) of the program to be evaluated and making decisions (judgment)
> based on information (evidence) that has been systematically gathered, examined,
> and related to some standard (criteria). [104]

Having previously described what principles are essential for effective accountability and

what actions are required for the holding of account to take place, the OAG

accountability process will be used as the benchmark model (criteria) against which

NDHQ-lead programs will be evaluated for accountability effectiveness.

Other elements of the process of evaluation will come from *Legislative Audit for*

National Defence, The Canadian Experience by Peter Kasurak, defence principal for the

OAG, in which he condenses observations from audits (evidence) on different aspects of

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[102] Robert D. Herman and David O. Renz. "Organizational Effectiveness: How Is It Achieved?"
George B. Wright (Ed.) *The Not-For-Profit CEO Monthly Letter* 6, no. 12 (1999), 4; available from
http://bsbpa.umkc.edu/mwcnl/Research/howis.pdf; Internet; accessed 17 November 2003.

[103] Herman and Renz. "Organizational Effectiveness: How Is It Achieved?", . . ., 4.

[104] *Ibid*, 4.

defence management made over the last 14 years.[105] This section of the paper will describe (indicators) and review (judgment) four of the subjects examined by Kasurak - contract services, human resource management, capital program, and ethics program. In addition, NDHQ's governance as studied by the Advisory Committee on Administrative Efficiency will be evaluated against the OAG's accountability process.

Before proceeding, a clarification should be made of accountability for the CF. As stated by the Somalia Commission of Inquiry:

> In the Canadian Forces the basic questions – who should be accountable, what should be accounted for, and to whom should an organization be accountable – are answered more easily than they are in other settings, because they are defined by custom of the service and the law."[106]

That being said, the OAG accountability process is just as relevant to commanders in the CF as it is to staff officers in NDHQ or civil servants. What changes for commanders and service members in the performance of military duties are the character of the elements and components of the process – the responsibilities, the expectations, and the consequences. The lines of accountability for military personnel are clearly defined and must not be "allowed to deteriorate through inattention"[107] as in the past. In the context of the "Defence Team", responsible for defence policy and defence administration, no distinction, however, will be made between senior officers and senior officials in NDHQ for the purpose of this paper.

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[105] Peter Charles Kasurak, *Legislative Audit for National Defence: the Canadian Experience* Claxton papers 3 (Kingston: School of Policy Studies, Queen's University, 2003), xi.

[106] *Dishonoured Legacy: the Lessons of the Somalia Affair, Report of the Commission, . . .*, 391.

[107] *Ibid*, 391.

NDHQ, as with the rest of DND and the CF, has emerged from a difficult period in its history. NDHQ was forced in the mid-90s to implement serious governance changes to regain trust, credibility, and the confidence of its staff. Have the changes, however, improve accountability in program delivery?

Contract Services

Bureaucratic governmental organizations have traditionally been viewed as less effective and more costly than private sector businesses. As the 1994 White Paper committed DND to divesting non-core competencies, increased reliance on the use of professional and technical services occurred in NDHQ to meet needs. A distinction can be made between two categories of contracted services: large initiatives that fall under the umbrella of the Alternate Services Delivery (ASD) Framework, and smaller contracts to meet staffing needs.

Audits of large NDHQ- managed ASD initiatives performed through the 90s found that the full costs of programs before and after contracting out could not be compared because of the centralized control of resources and the limited discrimination ability in cost accounting systems. It was also found in contracting for services that anticipated saving were often reduced by poor contract arrangements.[108] Further, the lack of flexibility, especially in long-term agreements required for extensive services, left the

di   [108] Office of the Auditor General of Canada, *Report of th*

Department locked in an arrangement that was more than required (or alternatively can see additions to the original scope at a premium) as needs and priorities changed over time.[109] The OAG pointed out that the general lack of contract management skills in the sector of defence and poor business cases added to the problem.[110] Both of these activities have been carried out by staffs in NDHQ.

Smaller ASD contracts for professional and technical services offer an attractive alternative to cumbersome public service staffing process. Managers, unfortunately, are opting for reactive responses which overtime sees these "short-term contracting solutions often evolve into longer-tem arrangements."[111] NDHQ managers are especially heavy users of Professional Help Services firms to expedite fulfillment of staffing needs "adding cost but often little additional value."[112] The trends of extended professional service contracts, lack of visibility at the corporate level on the expenditures, lack of performance reporting, and wide use of temporary help services were again reported on

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[109] Kasurak, *Legislative Audit for National Defence, . . .*, 35. Examples documented in the 1999 OAG Report Chapter 27 include: the MTC Meaford, CATC at Portage-la Prairie, and the NFTC at Moose Jaw and services support to FMT in Goose Bay.

[110] Kasurak, *Legislative Audit for National Defence, . . .*, 36.

[111] Department of National Defence, *Chief Review Services: Audit of Contracting for Professional and Technical Services* (Ottawa: DND Canada, 20 February 2002), i, [CRS Report on-line]; available from http://www.dnd.ca/crs/rpt/reports_e.htm; Internet; accessed 7 March 2004.

[112] Department of National Defence, *Chief Review Services: Audit of Contracting, . . .*, ii.

by the Advisory Committee on Administrative Efficiency in August 2003.[113]

Contracting for services remains a challenge for DND. Procedures have changed somewhat for the better as NDHQ staffs have gained contracting experiences, but business cases are still optimistic, with imperfect estimating and cost comparison data not always available. Although cost capturing has improved with the introduction of a new financial system and processes, expenditure adjustments for some associated costs centrally managed are still too cumbersome to be done. The current reporting framework only offers partial visibility in the Departmental Performance Report and Financial Statements for large initiatives while smaller ones are reported as aggregates of other ledgers resulting in the attribution of costs getting lost. Finally, the delegated and incremental nature of professional service contracts poses risks in the longer-term of developing employer-employee relationships, exceeding contracting authorities and increasing other non-compliances.[114]

When the principles of effective accountability as identified by the OAG are used to evaluate these contract services initiatives, several deficiencies become evident. To be effective, it is assumed that clear roles and responsibilities are known based on the Delegation of Authorities for Financial Administration document, the Organization and Accountability Guidance document and other directives and orders, and that expected

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[113] Department of National Defence, *Achieving Administrative Efficiency: Report to the Minister of National Defence* (Ottawa: DND Canada, 21 August 2003), 69; available from http://www.forces.gc.ca/site/Focus/AE/indexAE_e.htm; Internet; accessed 27 October 2003.

[114] Department of National Defence, *Chief Review Services: Audit of Contracting*, . . ., iv.

performances, as required by the framework, are explicit based on the business case and contract documents. The expectations for the performance, however, have proven time and again, to be unrealistic due to the inherently optimistic nature of business cases, and statements of works that are commonly too vague. Turning to the holding of account, the reporting requirement in most cases and the performance measurement have not been explicitly stated resulting in inadequate review and adjustment with attribution not occurring. When reporting does occur, reporting is done through financial systems, but this is often the only means. There are no corrections or consequences for individuals for poor stewardship when savings are not met or short-term contracts are over-extended. Even when credible reports on performance are made, adjustments in the end are sometimes not possible because of the inflexibility of the contract or changes must be made at great expense. Furthermore, reporting does not address the impact ASD has on core competencies. The holding of account for performance is difficult, and the accountability loop cannot be closed, thus making the accountability relationship for contract services ineffective.

Human Resource Management

On the topic of human resource management, Peter Kasurak covers the subject of retention, recruitment, training and the reserves. The reserves will not be covered here, as it has been the subject of detailed reporting by the Minister's Monitoring Committee on Change.[115] Also, only the military human resource policies and programs, which are

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[115] See the Minister's Monitoring Committee, *Progress Report I Land Force Reserve Restructure* and *Progress Report II - Land Force Reserve Restructure - Professional Development, Education and Leadership.*

different for civilian ones, will be reviewed due to the availability of information from the OAG.

CF recruitment is very complex and is affected by many internal and external factors to the organization. It is also difficult to get the right mix and the right fit for the organization, and at the same time respect mandated guidelines to ensure the CF, as a public institution, is representative of Canadian society. Complexity aside, Peter Kasurak in his review of recruiting, training and retention, points out that NDHQ was slow to react to the personnel crisis generated by years of financial restraint. He relates that in the OAG 2002 Report: "Personnel forecasters warned as early as 1996 that the aging military would face a staff shortage, but remedial action was not started until 2003."[116] Although recruiting campaigns were put underway, programs did not take into account a shortfall in recruiters to process files and individuals, or whether the training system and infrastructure had sufficient capacity to absorb the surge in recruits.[117] Kasurak goes on to say:

> Overall, military technical training continues to be a major value-for-money problem. The armed services have largely protected their schools from competition with civilian institutions by stressing the need to acculturate, as well as train, students. Coupled with weak performance management, the result is a very high-cost system.[118]

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[116] Kasurak, *Legislative Audit for National Defence, . . .*, 47.

[117] *Ibid*, 48.

[118] *Ibid*, 47.

Once an individual is recruited and trained the question of retention must be addressed. With respect to retention, Kasurak highlights the lack of understanding of the impact when making some human resource management decisions and policies, often leaving human resource advisors scrambling to find fixes for the problems created.[119] Examples cited are the 1994 to 1996 reduction programs that caused critical demographic gaps in DND and the CF. It will be lengthy and difficult to recover from these gaps, especially given the current recruiting challenges.[120] Furthermore, the lack of understanding within the human resource field of the several factors affecting retention, which do not have obvious solutions, add to the human resource problem.[121]

Human resource management in the CF is governed by hundreds of directives, guidelines, orders, and policies. A detailed evaluation of each and every one of them against the OAG accountability process is not possible here. An evaluation would no doubt find a mix of cases of effective accountability relationships and cases where elements of the accountability framework and process are deficient. Rather, the OAG model will be applied at the macro-analysis level against the overall human resource activities of recruiting, training and retaining, to come up with an indication of the overall

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[119] *Ibid*, 47.

[120] Challenges identified in the 2002-03 RPP include thee shifting age profile of the market, the 'Nexus' generation expectations, the downstream pressures on the training system. Also comes to mind the unattractive operational tempo, and increased visible minorities in society that do not relate to CF.

[121] Kasurak, *Legislative Audit for National Defence, . . .*, 47. Kasurak cites operational tempo, away from home assignments, conditions of service, organizational climate and morale, market conditions, effectiveness of senior leadership, and the present-day norm of the two-career family as factors affecting retention.

effectiveness of the current accountability relationship for human resource programs and initiatives.

Clear roles and responsibilities is the first principle of the OAG accountability framework. In the recruiting-training-retain

personnel. Adjustments to the performance (i.e. the production levels) are identified

every year, but to have effective accountability these expectations have to be balanced

with each party's capacity to deliver. For example, while the financial and administrative

authorities may be there, often the skills and resources, in the form of funds or qualified

personnel, are lacking because staffing of instructors and recruiters' positions are given a

lower manning priority. Furthermore, under the current framework, if no adjustment or

inadequate adjustments have been made since the last Annual Military Occupation

Review report, there are no consequences for those responsible (if they can be identified).

Peter Kasurak states that "an organization cannot have cost effective programs to

retain personnel unless it understands what is going wrong."[122] While CF surveys have

been conducted on the subject, the fact remains that there are many diverse reasons (such

as market condition, family, personal satisfaction, and pay) why people leave an

organization, and it is unlikely that normally costly retention incentive programs will ever

be fully successful because it will only be able to address some of these reasons, and

these reasons for departure will be constantly changing with time. It is appreciated that

this kind of initiative is very difficult to implement; nevertheless, the fact that

responsibilities and parties in the relationship for retention programs are not clearly

defined and that expectations are not balanced, does not help to effect accountability.

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[122] Kasurak, *Legislative Audit for National Defence*, . . ., 47.

In the matter of recruitment, training and retention, the inability to clearly identify the parties, their roles and their responsibilities, a basic principle of effective accountability, makes it difficult to bring about the holding of account. The requirement for credible reporting of performance and the subsequent review and adjustment to the CF human resource management has been sufficiently weak that it has triggered the implementation of independent organizations such as the Standing Committee On National Defence And Veterans Affairs (SCONDVA), the CF Grievance Board, the Minister's Monitoring Committee on Change and the office of the Ombudsman, to keep track of human resource management issues and to ensure the holding of account takes place. These additional mechanisms cloud even further the existing accountability relationships by adding stakeholders.

While some individual human resource management programs and initiatives would probably stand the test of effective accountability, at the macro level the overall human resource management's accountability cycle is not complete. The ability to put in force the holding of account, more specifically the learning that has been gained and how to apply it, and the consequences for decisions and actions is absent. The existing NDHQ accountability relationship is, therefore once again, ineffective.

<u>The Capital Program</u>

In the words of Peter Kasurak: "capital is where politics, the military profession, laws and regulations, and business management meet."[123] It is not surprising then, that with such disparate interests and approximately 18 percent of the defence budget,[124] the capital program slice of the Department's discretionary financial resources is under constant pressure. The causes of these pressures originate in competing demands between what the users define as requirements, underestimating of projects, intra-services rivalry for modernization and new capabilities, lobbying by industry, and regional electoral favouritism. All of these pressures generate a list of requirements greater than the funds available, thus making the capital program unaffordable. There are "too few dollars chasing too many projects."[125] Often, in an effort to keep things under control, project budgets become capped and scopes are cut. As a consequence equipment and systems not fully meeting the requirement.[126]

A further reason as to why systems are not meeting the requirements is the lack of sound doctrines. This is especially true in the case of CF joint requirements where a clear joint approach is essential to ensure appropriate equipment is procured and the right

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[123] *Ibid*, 31.

[124] Department of National Defence, *Defence Service Program - DSP Vote Structure Breakdown*; available from http://www.vcds.forces.gc.ca/dgsp/pubs/dp_m//res-pri/res-pri-dsp_e.asp; Internet; accessed 12 March 2004.

[125] Kasurak, *Legislative Audit for National Defence*, . . ., 29.

[126] Spare parts and infrastructure needs are often targeted to keep project within budget (e.g. the M113 Tracked Vehicle Life-Extension and Victoria Submarine Acquisition/Capability Life-Extension Program). The number of Maritime Patrol Aircrafts required for the CF to fulfill it commitment was established at 26; however, only 18 Aurora were procured due to budget limitation.

priorities are given for expenditure of limited resources. The lack of effective doctrine

has caused the purchase of platforms and systems not especially suited for the goals of

the 94 White Paper, inhibited proper project definition, and induced impulse buying. [127]

Although cost overruns and delays in individual projects are regularly

experienced, Peter Kasurak observed that the source of the problem often resided in the

"failure of major institutional systems, rather than a lack of competence of a single

manager or project office."[128] A case in point is the 23-27 percent capital expenditure

target that has not been met in the past three decades, creating a backlog of deferred

projects and rusting-outing of existing assets.[129] How can this be when the roles,

responsibilities, expectations, and reporting requirements are normally well identified in

project charters and other project documents? While individual projects are well

documented, at the corporate level the roles and responsibilities, expectations and

reporting requirements, however, are either not clear or only focus on the budget

management aspect of the capital program.

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[127] Peter Kasurak in his book cites the examples of the griffon helicopter which cannot functionally lift a complete infantry section or field gun, a partially upgraded tank that would not survive on a high-intensity battlefield, no strategic lift for the army who habitually operates overseas, a good reconnaissance vehicle but one that cannot easily distribute information because it overwhelms communication systems. For more examples see Kasurak, *Legislative Audit for National Defence, . . .*, 29.

[128] Kasurak, *Legislative Audit for National Defence, . . .*, 31.

[129] *Canada without Armed Forces*, ed. Douglas L. Bland, Claxton papers 4 (Kingston: School of Policy Studies, Queen's University, 2003), 107.

Another aspect of the accountability framework involves taking responsibility for performance. As mentioned earlier, when accountability is not working well, the reason may be inadequate reporting on performance, no serious and informed review of the information reported is happening, and no program changes or consequences for those responsible are implemented. Reporting on the capital budget is a matter of routine, and NDHQ staffs regularly make adjustments to resource levels. Also, the progress of major capital projects is mentioned in the *Departmental Performance Report* and the *Chief of Defence Staff Annual Report*, and individual projects are monitored through internal systems. In contrast, reporting on the performance of the overall capital program with regards to the results and outputs is not actuality happening. There is no report on whether the outputs and the outcomes provide the capabilities to accomplish the CF mission and contribute to "the security of Canadians; the defence of our sovereignty; continental security; and, international stability."[130]

In addition to clear roles and responsibilities and credible reporting, two other basic principles for effective accountability are the agreement on clear expectations and a balance between expectations and capacities.[131] It is rather difficult to find from the Report on Plans and Priorities and the Departmental Performance Report what objectives and accomplishments are expected for the capital program overall; and therefore, an informed review and feedback is difficult to provide. Moreover, the $1 billion budget

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[130] Department of National Defence, *The 2002-2003 Departmental Performance Report*, . . ., Part I: The Benefits of Defence Investment.

[131] Office of the Auditor General of Canada, The December 2002 Report, . . ., 7.

wide sustainability gap identified by former Defence Minister McCallum[132] leads one to the conclusion that the expectations and the capacities are not balanced.

These are only some of the most obvious failings of the capital program in relation to the principles of effective accountability. As mentioned in the OAG report on *Modernizing Accountability in the Public Sector*, "while effective accountability is not without cost, ineffective accountability can cost more in waste, misuse of power, and loss of the government's legitimacy in the eyes of the governed."[133] Unfortunately, because of the nature of the capital assets, mistakes made by NDHQ " can be extremely costly and persistent."[134]

Governance

"Consensus is the negation of leadership." – Margaret Thatcher[135]

The Minister appointed in January 2003 an Advisory Committee to assist him in finding $200 million in internal savings to close the sustainability gap for the Department. The Advisory Committee on Administrative Efficiency reported to the Minister in August 2003 and identified nine areas where management could be enhanced and administrative

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[132] Department of National Defence, Speaking Notes for The Honourable John McCallum Minister of National Defence at the Conference of Defence Associations Annual General Meeting (Ottawa: DND, 27 February, 2003); available from http://www.forces.gc.ca/site/newsroom/view_news_e.asp?id=1014; Internet accessed 7 March 2004.

[133] Office of the Auditor General of Canada, The December 2002 Report, . . ., 12.

[134] Kasurak, *Legislative Audit for National Defence*, . . ., 27.

[135] http://www.schipul.com/en/quotes/view.asp?quoteid=1093

savings created. In their review, the Committee found ubiquitous problems such as a management focus that is more transactional than strategic in nature, accountabilities that are too diffuse, a low tolerance for risk, and not clearly identified core competencies. These problems fall under the umbrella of governance.[136]

The understanding and application of governance is no less debated than the concept of accountability, and depending on the context, governance may refer to the art of governing, the exercise of authority, the structure of authority, or the jurisdiction.[137] The Canadian Comprehensive Auditing Foundation uses the following definition from Duncan Sinclair, former Dean of Medicine at Queen' University, to discuss the concept.

> Governance is the exercise of authority, direction and control. It can be thought of as the right and the responsibility to determine the purposes and the principles by which an organization will function and then to arrange for its management accordingly. . . . Governance deals with what an organization is to do and is, therefore, highly focused on planning, setting goals and objectives, and on the development of policies to guide the organization and monitor progress toward implementation of its plans. Provided that the governing body has confidently arranges for effective management of the organization, the primary focus of governance should be on the long-term – the organization's mission, values, policies, goals, objectives and for the public sector institution . . . its accountability under the terms of its implicit social contract.[138]

The issues related to governance identified by the Advisory Committee are in line with this detailed definition developed by Sinclair. These issues include the role and size of NDHQ, committee and decision-making structure, strategic planning, resource management, senior management preparation, and approach to change.[139]

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[136] Department of National Defence, *Achieving Administrative Efficiency*, . . ., iv.

[137] Leclerc, G., et al,. *Accountability, Performance Reporting,* . . ., 8.

[138] *Ibid*, 8-9.

[139] Department of National Defence, *Achieving Administrative Efficiency*, . . ., 8.

The role that MCCRT played in the reorganization of NDHQ was introduced at the beginning of this paper. MCCRT's objectives were to re-engineer the management processes in order to reduce the personnel and resources requirement and associated workload in the Headquarter. In reality, the re-engineering results fell short of the expectations. The assumed high-level directions and plans did not materialize, and the resulting business plan processes with its top-down approach did not occur as envisaged.[140] The management structure and culture that emerged from the MCCRT re-engineering exercise (and still exist) are more "'bottom-up', process-oriented, [and] consensus-oriented."[141]

The all-inclusive nature of senior management committees, and that of their subordinated committees exacerbates this situation. This consensus oriented structure renders decision-making time consuming and constrained in favour of short-term corporate interests rather than more difficult long-term and strategic decisions on resources. [142] In an effective accountability relationship as describe by the OAG, there is "an obligation on the superior party to be clear about what is expected."[143] This post-MCCRT governance environment fosters compromises adding a degree of difficulty in meeting the expected performance.

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[140] *Ibid*, 9.

[141] *Ibid*, 10.

[142] *Ibid*, 11.

[143] *Ibid*, 6.

The mandate and size of NDHQ are believed to be notable causes at the origin of the governance difficulties examined by the Advisory Committee. During their review, the Committee noted that the size of NDHQ and the number of executive level managers had increased since the implementation of the 1997 MCCRT 's recommendations.[144] The workforce was also augmented by the employment of professional services contracts. These observations lead the Advisory Committee to conclude that "the NDHQ cuts under the MCCRT initiative were not accompanied by corresponding business process re-engineering or decreases in workload"[145] and that "an organization which should be focussed on strategic decision-making has become mired in administrative process and detail."[146]

Decision-making and committee structure is another critical issue related to strategic management under the rubric of governance. Because of the committees' generally large size and prevalent mind-set of "all-are-equals"[147], there is a desire to establish a consensus on the decisions to be taken. Lower-level committees tend to develop solutions which they feel will be broadly accepted by senior-level committees. Overtime, these ways of carrying on business resulted in a bottom-up approach to

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[144] *Ibid*, 11.

[145] *Ibid*, 12.

[146] *Ibid*, 12.

[147] *Ibid*, 13.

direction.[148] This reliance on committees undermines the principles behind the

devolution of authority, responsibility, and accountability. Adjustments to performance

become indiscriminate and generalized, and "bringing appropriate consequences to bear

on individual, whether rewards or sanctions"[149] is problematic in this environment where

"no one is really responsible, but everybody is."[150] Consequently, accountability

becomes diffused because the roles and responsibility are not clearly defined[151] and it

becomes difficult to establish why the expectations are not met where things go wrong.

> The NDHQ environment is also characterized by lack of strategic focus.

> The shortfalls in strategic planning result in the lack of unity of effort and
> commonality of purpose across DND and the CF, and exacerbate the tendency
> toward transactional decision-making. Long term planning appears to have
> become an internal resource competition rather than an effort to achieve defined
> results or corporate goals.[152]

Although positive steps have been taken to improve this situation through the creation of

the Joint Capability Requirements Board (JCRB) and the Strategic Capability Investment

Plan (SCIP), there are still some gaps. The lack of integrated planning across all

capability elements, the 'bottom-up' identification of requirements, and the platform

driven planning are detrimental to comprehensive option analysis and strategic

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[148] *Ibid*, 13.

[149] Office of the Auditor General of Canada, *The December 2002 Report*, . . ., 6.

[150] Leclerc, G., et al,. *Accountability, Performance Reporting*, . . ., 51.

[151] Office of the Auditor General of Canada, *The December 2002 Report*, . . ., 14.

[152] Department of National Defence, *Achieving Administrative Efficiency*, . . ., 17.

prioritization of requirement.[153] Senior executives should work toward shared objectives and be collectively responsible for the achievement of the expected performances. The inherent differences in focus in the existing bottom-up approach to governance and the business planning process do not facilitate the achievement of results nor do they lead to an agreed understanding of the accomplishments expected.

"To govern well implies the application of foresight, knowledge, understanding and judgment, as well as considerable trust."[154] These requirements for good governance generated a key concern for the Advisory Committee as they drew attention to "the relatively high churn rate of senior military officers and civilian executives."[155] This situation creates a problem with experience, continuity, and short-term focus that affect the overall governance effectiveness and the holding of account. "Breakdowns in accountability occur as individuals move off to new jobs before the effects of decisions become apparent."[156] The roles and responsibilities, and performance expectations become fuzzy with the succession of the parties in the relationship. It leaves a false impression that no one "is accountable for matters that had their origins in the actions of a

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[153] *Ibid*, 18.

[154] Leclerc, G., et al*,. Accountability, Performance Reporting, . . .*, 14.

[155] Department of National Defence, *Achieving Administrative Efficiency, . . .*, 25.

[156] Kasurak, *Legislative Audit for National Defence, . . .*, 44.

predecessor."[157]

These are but a few of the systemic NDHQ accountability failures under the heading of governance that have been identified by the Advisory Committee on Administrative Efficiency. When these areas are looked at in the context of an effective accountability relationship, it is evident that an element of the accountability loop, or some basic principles of effective accountability are missing from the existing governance structure.

Ethics Program

In large organizations like DND, there are bound to be failures despite all efforts. Over time, if these failures are not dealt with the integrity of the organization and of its members becomes doubtful. A sound basis of ethical values is critical to ensure probity, reduce the risk of misbehaviours, and provide assurance that when an indiscretion does occur it is dealt with appropriately.[158] Such basis encourages accountability.

Proper conduct of business and good ethical behaviour have been a long-standing pursuit for the public service. In NDHQ, it culminated in the mid-90s with the Somalia debacle and the concurrent occurrences of abuses and excess by senior officers and

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[157] Office of the Auditor General of Canada, *The November 2003 Report of the Auditor General of Canada* to the House of Commons*, Chapter 2, . . ., 6.

[158] Office of the Auditor General of Canada, *The November 2003 Report of the Auditor General of Canada* to the House of Commons*, Chapter 2, . . ., 1.

officials.[159]   These were already examined at the beginning of this paper. The resulting

reports by the Somalia Commission of Inquiry, and the Monitoring Committee on

Change also included recommendations with regards to the strengthening and

incorporation of ethics principles in the development and screening of personnel.[160]

As a starting point, DND published in October 1996, a *Statements of Defence*

Ethics.[161] Peter Kasurak describes the Defence Ethics Program that followed in these

terms:

> The main strategy selected by DND to improve conduct within the department
> was to adopt a "value-based" approach. This places priority on core values and
> principles of ethical culture as guides to professional conduct. It is distinct from a
> compliance-oriented strategy that relies on detailed regulations and enforcement.
> The department's values-based approach depended on its *Statement of Defence*
> *Ethics*, a network of ethics coordinators throughout the department, and the
> integration of its ethics statement into training and employee appraisal
> processes.[162]

Much progress has been made since the publication of the *Statement of Defence*

Ethics. Yet, subsequent audits found that while the Defence Ethics Program appeared

helpful and was one of the most comprehensive within government, its implementation

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[159] Kasurak, *Legislative Audit for National Defence*, . . ., 47.

[160] Department of National Defence, *A commitment to change*, *Report on the Recommendations of the Somalia Commission of Inquiry* (Ottawa: DND Canada, October 1997), 3-12.

[161] Office of the Auditor General of Canada, *Report of the Auditor General of Canada – October 2000, Chapter 12 - Values and Ethics in the Federal Public Sector* (Ottawa: Minister of Public Works and Government Services Canada, 2000), 36, [report on-line]; available from http://www.oag-bvg.gc.ca/domino/reports.nsf/html/00menu_e.html; Internet; accessed 17 November 2003.

The Statement of Defence Ethics is available on-line at http://www.dnd.ca/ethics/expectations/statement_e.asp

[162] Kasurak, *Legislative Audit for National Defence*, . . ., 57.

was deficient. Significant problems were reported with the communication of the values, the lack of direction on the program implementation, the existence of different ethics statements, and key target groups being overlooked for training.[163] A baseline survey of DND employees and CF members administered in the spring of 1999 to assess ethical decision-making concluded that the Defence Ethics Program had made a good start, but there remain challenges to close the gap between what is perceived and what should be the case in ethical decision-making.[164]

The 2000 OAG Report concluded, as other had before,[165] that unless there are recourse mechanisms for dealing with cases of wrong doing, all the talk about values and ethics would be considered as "so much hot air."[166] The Defence Ethics Program is based on the principle of a learning organization and focuses on providing a framework and processes to continuously improve the ethical conduct. On the other hand, the importance of control and compliance programs are now more critical than ever because of the delegation of authorities, the devolution of funds, and the lack of resources,

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[163] Office of the Auditor General of Canada, *Report of the Auditor General of Canada – November 1999, Chapter 26 - National Defence - The Proper Conduct of Public Business*, 14-17; available from http://www.oag-bvg.gc.ca/domino/reports.nsf/html/99menu_e.html; Internet; accessed 17 November 2003.

[164] Catano, *Baseline Assessment of Ethical Values in DND Phase II* Report, . . ., 8.

[165] Similar recommendations were made in the OAG's May 1995 Report, Chapter 1, Ethics and Fraud Awareness in Government; the 1996 Tait Report - *A Strong Foundation: Report of the Task Force on Public Service Values and Ethics*; and Principles for Managing Ethics in the Public Service, developed in 1998 by the Organisation for Economic Cooperation and Development (OECD) as mentioned in the Office of the Auditor General of Canada, *The November 2003 Report of the Auditor General of Canada to the House of Commons, Chapter 2*.

[166] Office of the Auditor General of Canada, *The November 2003 Report of the Auditor General of Canada* to the House of Commons*, Chapter 2*, . . ., 14.

knowledge and tools as found during an internal DND review.[167] These factors add to the

risk of fraud, abuse, and relativism, which according to the Kasurak's findings, are

increasing.[168] Without the proper monitoring or control in place, there is little

consequence for this type of inappropriate behaviour, and therefore no opportunity to

adjust and learn.

It is recognized that the first step in trying to inculcate values and ethical

behaviour within an organization is to promulgate a clear set of ethical principles and

obligations.[169] According to Richard A. Gabriel:

> Statements of values and ethics are clearly important, but by themselves, they do
> not create honesty. Their main purpose is often perceived to be to hang on a wall
> and collect dust. However, as part of a comprehensive approach, we believe such
> statements can play an important role. They can express the core values of an
> organization and set standards for acceptable conduct. The core values and
> standards are those that would not be compromised.[170]

Objectives and managers' responsibilities for the Defence Ethics Program are

documented in Terms of Reference and Defence Administrative Orders and Directive,[171]

which also spell out a broad obligation for reporting and vague expectations about

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[167] Department of National Defence, *Review of the Management of Operating Budgets – Impact of Devolution* (Ottawa: DND Canada, February 2001), i-ii, [CRS report on-line]; available from http://www.dnd.ca/crs/rpt/reports_e.htm; Internet; accessed 22 February 2004.

[168] Kasurak, *Legislative Audit for National Defence*, . . ., 58.

[169] , Richard A. Gabriel, *To serve with Honor,* A Treatise on Military Ethics and the Way of the Soldier, (Westport: Greenwood Press, 1982), 53.

[170] Office of the Auditor General of Canada, *Report of the Auditor General of Canada* – October 2000, *Chapter 12 - Values and Ethics*, . . ., 18.

[171] Department of National Defence*, Defence Administrative Orders and Directives 7023-0 Defence Ethics*, . . ., and Department of National Defence, *Defence Administrative Orders and Directives 7023-1, Defence Ethics Program*, ...

performance measurement. The challenge remains to integrate the code into the decision making of departmental officials and military officers.

It is too early to establish how well the program is performing. A baseline survey of the Defence Ethics Program was conducted in 1999 to assess ethical decision-making, and perceived or adhered to ethical values.[172] The survey was re-administered in the winter of 2003 and the program is being re-evaluated to assess progress and its impact. The initial assessment appears favourable, but full results will not be available until May 2004.[173] Rather than analyse if effective accountability is present in the Defence Ethics Program, the program should be looked at as the underpinning precept to the improvement of overall accountability within the organization. A positive performance in the Ethics Program may be the key to bring about effective accountability.

The analysis of significant defence programs shows failures of some form or another in accountability. More often than not, the roles and responsibilities are either not clear or not assumed. Explicit and agreed upon performance expectations and associated measurements are lacking, or feedback - including adjustments, rewards or consequences - on performance is not taking place. Despite efforts and progress over the last decade, effective accountability as measured against the OAG accountability process, that is to say the presence of the accountability framework (the principles of effective

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[172] Catano, *Baseline Assessment of Ethical Values in DND Phase II* Report, ...

[173] Col Strain, Director of Defence Ethics, telephone conversation with author, 8 March 2004.

accountability), and existence of the holding of account (credible reporting, review and adjustments), has still not been achieved in NDHQ.

<u>OBSERVATIONS</u>

In their 1999 Final Report, the Minister's Monitoring Committee on Change

assessed that reform initiatives and programs based on recommendations from Reports

commissioned between 1995-1997[174] were gaining momentum. They were also careful

to advise that success should not be measured in terms of the number of

recommendations implemented but "rather, it should take into account the degree to

which the institution has integrated reform into its culture and its way of carrying on its

daily business."[175] Why then have the various reform programs not resulted in effective

accountability? There are two major causes: the poor governance born from these

reforms, and the lack of a mature culture of accountability.

The positive changes notwithstanding, the implementation of these reforms was

not cohesive in the opinion of the Committee because of the "absence of an overall

strategic agenda."[176] Hundreds of recommendations from various sources were each

dealt with as a specific objective that was a 'tick the box' exercise. Many of them were

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[174] Department of National Defence, *Minister's Monitoring Committee on Change in the Department of National Defence and the Canadian Forces, Final Report 2003*, ...

The six reports were: Report to the Prime Minister on Leadership and Management in the Canadian Forces (MND Report), Report of the Special Advisory Group on Military Justice and the Military Police Investigation Services (Dickson 1 Report), Report on Quasi-Judicial Role of the Minister of National Defence (Special Advisory Group on Military Justice and Military Police Investigation Services) (Dickson 2 Report), Report of the Commission of Inquiry into the Deployment of Canadian Forces to Somalia (Somalia Report), Report of the Special Commission on the Restructuring of the Reserves (SCRR Report),Report of the Military Police Services Review Group (Belzile Report).

[175] Department of National Defence, *Minister's Monitoring Committee on Change in the Department of National Defence and the Canadian Forces, Final Report 1999*, . . ., Message from the Chairman.

[176] Department of National Defence, *Minister's Monitoring Committee on Change in the Department of National Defence and the Canadian Forces, Final Report 2003*, ...

implemented without a clear vision of what the reform program was to achieve.[177] NDHQ ended up being an organization where a transactional culture pervades allowing the management of routine concerns over strategic issues; where accountabilities are diffuse because they are not adequately identified and enforced, and decision-making tends to be based on consensus; and where the senior level is characterized by noteworthy turn over thereby lacking the time to develop the necessary knowledge, and to fulfill their commitment.[178] Put simply, the governance of NDHQ is ineffective.

Not surprisingly, the Advisory Committee on Administrative Efficiency recommended a 're-thinking' of NDHQ that would improve its strategic focus, and streamline the organization and its processes. This would involve restricting NDHQ to strictly strategic functions ensuring the roles, responsibilities and outcomes expected are needed, clearly articulated and linked to the resources.[179] The Advisory Committee also recommended enabling a core group to focus on corporate issues using a centrally driven strategic planning model with a common understanding of 10-15 year defence requirements.[180] While a more focus NDHQ will improve governance, other changes will enhance accountability.

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[177] Department of National Defence, *Minister's Monitoring Committee on Change in the Department of National Defence and the Canadian Forces, Final Report 1999*, . . ., Part 1.

[178] Department of National Defence, *Achieving Administrative Efficiency*, . . ., iv.

[179] *Ibid*, 12.

[180] *Ibid*, ix.

The Advisory Committee has identified the current decision-making and executive committee structure as an impediment to accountability. In the current structure there is an "excessive reliance on committees that undermines the devolution of accountability, responsibility and authority,"[181] where "decisions tend to be elevated . . . to levels higher than necessary, often by staff that have no direct link to the accountability for the issue at hand."[182] Not unlike what has been discussed in preceding section of this paper, the Advisory committees also concludes in the NDHQ environment where there is an excessive reliance on committees "responsibilities and accountabilities become diffused and, as a consequence management suffers."[183] To address this situation, part of the key recommendations from the Advisory Committee included "transforming the governance structure, . . ., clarifying roles and responsibilities for resources management; . . . and reinforcing performance management initiatives to support decision-making and enhance managerial accountability."[184] In short, the re-thinking of NDHQ means re-thinking its governance.

Governance summarizes the concepts of structure, authority, control and art of governing.[185] Good governance is present according to the Canadian Comprehensive Auditing Foundation when the senior level is comprised of people that understand and

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[181] *Ibid*, 13.

[182] *Ibid*, 13.

[183] *Ibid*, 13.

[184] *Ibid*, ix.

[185] Leclerc, G., et al,. *Accountability, Performance Reporting, . . .*, 8.

can fulfil their responsibilities, grasp the objective and strategies of the organizations, and can report on the performance of the organization.[186] These characteristics of good governance are parallel to the principles of effective accountability such as: clear roles and responsibilities, agreed and balanced expectations, and credible reporting and review. "As a corollary, good governance is very demanding of accountability."[187] Getting accountability right, therefore, is critical to getting NDHQ to work right.

The second difficulty with effective accountability in NDHQ is that "the sense of responsibility is not equally developed in everyone." [188] A sense of responsibility is developed from one's upbringing and culture; therefore, some people will turn out to be more responsible than others and by extension more accountable than others since accountability is a formalized application of responsibility.[189] Psychological studies have not strongly correlated a specific moral orientation with consistent me

accountability and the assumption of responsibility to naturally exist, external

mechanisms are required for a rendering of account.[190]

In response to this need for a structure, Treasury Board recently developed the

Management Accountability Framework. The objectives of the Management

Accountability Framework are to define and clarify expectations for sound management,

rationalize existing frameworks, and develop better performance management.[191] "The

Framework focuses on management results rather than required capabilities; . . . and

suggests ways for departments both to move forward and to measure progress."[192] The

Management Accountability Framework offers an opportunity to implement a cohesive

strategic vision and to strengthen government's accountability. Strategic Change staffs in

NDHQ are working on a plan to implement this framework in DND.[193]

Despite the paradox between accountability based on the assumption of

responsibility as a natural disposition and the natural avoidance of having to render

account, George J. Gordon[194] concludes that:

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[190] *Ibid*, 50.

[191] Treasury Board of Canada Secretariat, *TBS Management Accountability Framework*, n.d., 1; available from http://www.tbs-sct.gc.ca/maf-crg/maf-crg_e.asp; Internet; accessed 8 February 2004.

[192] Treasury Board of Canada Secretariat, *TBS Management Accountability Framework*, . . ., 1.

[193] Capt(N) Hainse, DDM, telephone conversation with author, 11 February 2004.

[194] George J. Gordon is professor of political science at Illinois States University and author of Public administration in America.

The essential point is that while mechanisms and procedures are positioned to ensure that public service act responsibly, the ultimate safeguard is in the character and inclinations of bureaucrats. Regardless of legislation, however, true accountability requires the development of a personal culture of accountability and a strongly felt desire to have transparency in processes and activities.[195]

The Defence Ethics Program which involves an approach that "nurture[s] understanding and fundamental changes in behaviours,"[196] provide a vehicle to foster the development of a personal culture of accountability. Richard A. Gabriel in his paper *Acquiring New Values in Military Bureaucracies* identified a number of variables playing a role in the process of adopting new values.[197] One of the most important variables is "the extent of open, formal and forceful support which must be forthcoming"[198] from the highest levels within the corporate structure. More important is that the senior level must adopt these values themselves, "and above all, they must publically [*sic*] behave in a manner supportive of the new value."[199] This combination of overt support and good example will remove ambiguity as to the behaviours expected among subordinates.[200]

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[195] Gordon cited in Leclerc, G., et al,. *Accountability, Performance Reporting, . . .*, 53.

[196] Office of the Auditor General of Canada, *Report of the Auditor General of Canada – November 1999, Chapter 26 - National Defence - The Proper Conduct of Public Business*, 11; available from http://www.oag-bvg.gc.ca/domino/reports.nsf/html/99menu_e.html; Internet; accessed 17 November 2003.

[197] Richard A. Gabriel, *Acquiring New Values in Military Bureaucracies : A Preliminary Mode* (Manchester: St. Anselm's College, 1978), 15. The eight variables are: overt elite support, elite conversion, indoctrination, peer support, perception of communal interest, functional linking of behaviour to career survival, external support, and time.

[198] Gabriel, *Acquiring New Values in Military Bureaucracies, . . .*, 9.

[199] *Ibid*, 9.

[200] *Ibid*, 9.

Another variable is a strong ethical indoctrination program addressing new values to be adopted and the kinds of behaviour that are expected to result.[201] Gabriel is supported by psychological studies that "moral education can be used to assist individuals to advance to the higher stages of moral development."[202] It is believed that education in ethics must be taught early on in a career, and at sufficient depth and frequency to have maximum effect.[203] Eventually, the new values will be internalized and become part of the individual's personal values which will in time be integrated into the organizational values to which the individual belongs. This in turn will affect senior managers, as they will be less likely to transgress without running the risk of being exposed, judged and losing their subordinate's trust.

To be successful in the adoption of new values there must also be a link between the behaviour they compel, and the individual "own 'self-interest' defined in terms of career advancement and other goals relevant to the institution."[204] Time, however, is the most critical variable in this value-changing process. "It is unrealistic to expect new values to "take hold" immediately in any institution."[205] New values need time to take root, and the move toward effective accountability should be looked at in terms of a gradual transition.

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[201] *Ibid*, 11.

[202] C.R. Shelley, "A Crisis of Character? Ethical Development in the Canadian Officer Corps," *Canadian Defence Quarterly* 25, no. 4(June 1996): 24.

[203] Shelley, A Crisis of Character? Ethical Development in the Canadian Officer Corps, . . ., 24.

[204] Gabriel, *Acquiring New Values in Military Bureaucracies*, . . ., 12.

[205] *Ibid*, 15.

The OAG in 2002 came to similar findings. As the OAG concept shows, effective accountability requires a framework, including the measuring and reporting of results, the reviewing of performance, and the making of adjustments, which require time, effort, and resources to develop and implement.[206] Furthermore, the OAG concluded in its subsequent 2003 Report that to strengthen accountability and ethics, leadership must be uncompromising and values and ethics must be integrated in day-to-day operations. It reiterated that responsibilities and accountabilities need to be clear, a robust and credible mechanism for dealing with cases of wrong doing is required, and the root causes of major problems must be determined with steps taken to prevent their reoccurrence.[207] NDHQ has some of the framework pieces right; more time, effort, and a strategic focus, however, will be required to bring them together as a coherent whole. Moreover, to have truly effective accountability, the notion of responsibility through the development of a strong set of personal values and ethics as the ultimate safeguard will have to be reinforced in NDHQ. In a study prepared for the Somalia Commission of Inquiry, Douglas Bland stated that "reforms will only be effective if errors in ethics, command and administration are simultaneously corrected."[208] This is still true today.

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[206] Office of the Auditor General of Canada, *The December 2002 Report*, . . ., 12.

[207] Office of the Auditor General of Canada, *The November 2023refor*

CONCLUSION

It is easy to be critical of NDHQ's efforts and of the disappointing results in matters of accountability, but it is hardly a surprise. The notion of accountability is often misunderstood and its effective application complex. Its interpretation varies from the assignment of blame and punishment for wrongdoings to a positive learning relationship. In NDHQ, the accountability relationship has been subjected to many tribulations.

The almost constant restructuring of National Defence organizations exemplified by the NDHQ structure, and changes in management practices over the past four decades have weakened the relationship by blurring the roles and responsibilities, and loosing the strategic focus at the headquarters level. Years of inaction in rectifying accountability problems have eroded the relationship; nevertheless, the need for accountability has not changed, arguably it has increased.

The cumulative effects of organizational changes in National Defences and the surreptitious bureaucratization of the CF came to a head in the mid-90s when the mishandling of the Somalia affair, by senior officers and officials, lead to an Inquiry that revealed the magnitude and depth of the accountability problem in DND and the CF especially prevalent at the senior level in NDHQ. Years of work followed to implement new processes and mechanisms to rectify the sources of the malaise at the same time as government-wide initiatives to meet contemporary pressures in the application of accountability.

In 2002, the OAG proposed an enhanced definition of accountability that took into consideration the new results-oriented management culture promoted by the government, and provided a basis to evaluate NDHQ's performance. This OAG accountability framework and process, based on five principles of effective accountability, incorporates mechanisms for the holding of account, and is established on a firm foundation of ethical values. Accountability as it applies to the delivery of defence programs was measured using the OAG framework because the ones developed by NDHQ were considered incomplete and incoherent.

The analysis of defence programs, using the results of 14 years of examination by Peter Kasurak, defence principal for the OAG revealed recurring failings. Professional and technical services contracts are an accountability challenge as they suffer from overly optimistic expectation, lack of monitoring during implementation, and failure to take corrective action. Human resources programs are typical examples where expectations are not balanced with resources. Despite a mature accountability process for individual capital projects, the overall management of the capital program lacks a clear identification of the roles and responsibilities with precise performance expectations and overall vision. Furthermore, a coherent report-review-adjustment approach is still under development making the holding of account for the Capital Program ineffectual. Much of these deficiencies can also be explained by the governance of NDHQ which suffers from a lack of strategic focus, and diffuse accountability.

"Accountability does not exist in a vacuum."[209] Mechanisms and processes are required to implement effective accountability, but above all a value framework is needed to develop a responsible and accountable attitude. This disposition will guarantee that actions are taken for the holding of account and that the accountability loop is closed. It takes time to foster this attitude, and the move toward better accountability relationships should be viewed as transitory. There is a realization that a stronger governance with a better strategic focus is needed but more needs to be done to improve NDHQ's structure and controls. The next decade will be telling of how successful NDHQ will be in their transformation toward effective accountability.

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[209] Leclerc, G., et al,. *Accountability, Performance Reporting, . . .*, 80.

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