



March 30, 2004

MEMORANDUM

FOR: Acting Mission Director, USAID/Serbia and Montenegro,
William Foerderer

FROM: Regional Inspector General/Budapest, Nancy J. Lawton /s/

SUBJECT: Risk Assessment of USAID/Serbia and Montenegro (Report No. B-169-04-002-S)

This memorandum is our report on the subject risk assessment. This is not an audit report and does not contain any recommendations for your action.

Thank you for providing comments to the draft report. Your comments are included in Appendix II of this report.

I appreciate the cooperation and courtesy extended to my staff during the risk assessment.

Background

The Republic of Serbia and the Republic of Montenegro within the Federal Republic of Yugoslavia (FRY) formed the state union of Serbia and Montenegro on February 4, 2003. Since its transition from an authoritarian to an elected civilian government, the Government of the Federal Republics of Serbia and Montenegro continues to rebuild its government and social institutions, and is attempting to revitalize its economy under challenging political and economic conditions.

USAID/Serbia and Montenegro consists of a Controller's Office, an Executive (Administration) Office, and four Program-related Offices:

- an Economic Policy and Finance Office responsible for economic policy, financial system reform, Micro and Small and Medium Enterprise (SME) finance programs;

- a General Development Office responsible for community and local development programs;
- a Democracy and Governance Office responsible for Non-Governmental Organization independent media, political party process and trade union programs; and
- a Program Office, responsible for the Mission's strategy and for program coordination.

USAID/Serbia and Montenegro programs and their approximate fiscal year 2001, 2002 and 2003 funding levels, in millions, are presented in the following table:

USAID/Serbia and Montenegro	Appropriated Program Funds		
	FY 2001	FY 2002	FY 2003
Economic Policy and Finance Office <i>Strategic Objective - 1.3</i> Accelerated Development and Growth of Private Enterprise	\$7.8	\$15.5	\$25.0
Democracy and Governance Office <i>Strategic Objective - 2.0</i> - More Effective, Responsive and Accountable Democratic Institutions	0.0	0.0	14.3
General Development Office <i>Strategic Objective - 2.1</i> - Increased, Better Informed Citizens' Participation in Political and Economic Decision Making	32.1	52.4	53.2
Total Appropriated Program Funds	\$39.9	\$67.9	\$92.5

The General Accounting Office (GAO) has stated in the *Standards for Internal Control in the Federal Government* that internal controls are an integral component of an organization's management. They should provide reasonable assurance that the following objectives are being met: effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations. GAO has stated that internal control should provide for an assessment of the risks the agency faces from both external and internal sources. This survey focused on the risk assessment component of internal controls.

The purpose of this survey is to identify significant areas of vulnerability within USAID/Serbia and Montenegro's administrative and program operations and to assist RIG/Budapest in planning future audits.

Appendix I contains a discussion of the scope and methodology for this assessment.

Discussion

In judging the risk exposure for the offices in USAID/Serbia and Montenegro, we considered:

- the amount of funding the individual programs received relative to the overall mission budget,
- the level of involvement and support provided by the Government of Serbia and Montenegro,
- the experience of key staff members,
- the adequacy of written procedures and the level of compliance with procedures throughout the Mission,
- the adequacy and use of performance standards and internal audits,
- evidence of consistent implementation of activities that clearly support program objectives,
- the adequacy of physical security for the office and controls over its data systems, equipment and vehicles,
- the existence of internal controls surrounding the items judgmentally selected for review, and
- correction of Mission-identified weaknesses from the Federal Managers' Financial Integrity Act (FMFIA) report for fiscal year (FY) 2003.

Our assessment for each program-specific and functional office is described in the following pages.

Function Description	Risk Exposure
<p>Economic Policy and Finance Office (EPFO): This office is responsible for Strategic Objective 1.3: Accelerated Development and Growth of Private Enterprise.</p>	<p>Moderate</p>
Risk Assessment Factors	
<ul style="list-style-type: none"> • This area received 27 percent of the Mission’s FY 2003 funding. In addition, total funding has more than tripled in the past three years, from \$7.75 million to \$25 million. • The instability of the Government of Serbia and Montenegro and the continued incidents of political violence and disputes may limit program success. • While the staff appeared to be knowledgeable about the various institutions, most staff members are relatively new to USAID. • EPFO staff does not always contact the Mission’s Regional Contracting Officer in Budapest of contractual problems. As a result, some contractor issues requiring official clarification or action have not been addressed. • Key implementing partners have resigned, and the critical institutional knowledge that they contributed to the program may be difficult to replace. • Staff clearly understood USAID policies and procedures, although the area covering cognizant technical officer (CTO) responsibilities should be reviewed and clarified regarding certain contract oversight responsibilities. • Implementing partners did not always meet program or administrative objectives resulting in the termination of one contract. • In some cases implementing partners had not received CTO designation letters which identify the appropriate USAID/Serbia and Montenegro staff member providing oversight of their award. Unless roles and responsibilities are clearly defined and understood by all parties, there may be confusion regarding such issues as approval of contractor personnel and other contract administration issues. • The Mission’s Federal Managers’ Financial Integrity Act (FMFIA) report for FY 2003 did not disclose any material weaknesses. 	

Function Description	Risk Exposure
Democracy & Governance Office: This office is responsible for Strategic Objective 2.0: More Effective, Responsive and Accountable Democratic Institutions.	Low
Risk Assessment Factors	
<ul style="list-style-type: none"> • FY 2003 budget amount of \$14.4 million represents only 14 percent of the Mission’s program budget. • Unresolved ethnic tensions and uncertain future relationships with Montenegro and Kosovo create significant program challenges. • The office is staffed by an experienced team of professionals including a recently-hired Rule of Law advisor. • The office actively monitors program activities. • The office supports numerous individual projects to build democratic institutions through an independent media, impartial courts, free and fair elections, and effective political parties. • The Mission’s FY 2003 FMFIA report did not disclose any material weaknesses. 	

Function Description	Risk Exposure
General Development Office (GDO): This office is responsible for Strategic Objective 2.1: Increased, Better-Informed Citizens’ Participation in Political and Economic Decision-Making.	Moderate
Risk Assessment Factors	
<ul style="list-style-type: none"> • This office received \$53.2 million, or 57 percent, of the Mission’s FY2003 program funds. • The GDO has high dollar value programs. The combined programs of the Serbian Local Government Reform Program (SLGRP) and the Community Revitalization through Democratic Action (CRDA) have over half of the Mission’s funding. The SLGRP is a three-year project with two, one-year options for a total of \$29 million. CRDA is planned as a five-year, \$200 million program. 	

- The GDO has very qualified and experienced staff. The manager of GDO has over 15 years experience with USAID. Two of three CTOs have not been certified as CTOs, although one has 13 years experience with USAID and has taken previous CTO courses. The least experienced CTO with only one and a half years' experience with USAID has taken the CTO training and is certified.
- While there is good acceptance of GDO's programs by communities and local governments, there is uncertainty about the stability of Serbia and Montenegro including changes resulting from governmental elections.
- The GDO has a small and cohesive staff. Technical contracting issues are passed on to the Regional Contracting Officer for resolution.
- The CRDA program has five implementing partners. Five implementing partners for one program could make it difficult to obtain consistent and meaningful reporting on performance indicators; however, work is currently in progress to address this concern.
- The CRDA program has a monitoring and verification system in place. Implementing partners enter program data as it occurs into a web-based data collection system which can be verified and monitored by staff in four field offices. In addition, CTOs make frequent site visits and communicate with the implementing partners.
- Grantees in the GDO are generally U.S. firms and fall under Office of Management and Budget (OMB) Circular A-133 entitled, "Audits of States, Local Governments, and Non-Profit Organizations." Although USAID/OIG has oversight responsibility, certified or independent public accounting firms perform these audits.
- The Mission's FY 2003 FMFIA report did not disclose any problems with the GDO.

Function Description	Risk Exposure
Program Office: This office is responsible for country planning formulation, program development, program budget management, and public awareness of the program.	Low
Risk Assessment Factors	
<ul style="list-style-type: none"> • The office is staffed by an experienced team of professionals. 	

- The office’s main activities, including the Strategic Plans, Annual Reports, and Congressional Budget Justifications for both Serbia and Montenegro, are subject to several layers of Mission and Washington review.
- The office’s main activities are also subject to USAID/Washington’s detailed annual instructions and published guidance.
- The office in Serbia is responsible for Serbia as well as Montenegro’s Strategic Plan, Annual Report, and Congressional Budget Justification. This requires an ongoing coordination of efforts between the two locations.
- The Mission’s FY 2003 FMFIA report did not disclose any material weaknesses.

Function Description	Risk Exposure
Executive Office: This office manages administrative functions such as personnel management, general services, motor pool, and property management.	Moderate
Risk Assessment Factors	
<ul style="list-style-type: none"> • While the executive officer (EXO) in Serbia has been with USAID since 1995, the other staff is fairly new to USAID. However, there has been virtually no staff turnover. The Mission has recently hired an EXO to manage administrative functions in the Montenegro Office. • The EXO is responsible for administration and internal management activities of the Mission and must work with numerous laws, regulations and standard operating procedures, including, procurement and local labor laws, State Department regulations for travel and education, funding regulations, and computer security. Such multiple requirements demand significant staff attention. • The Mission’s operating expense budget for FY 03 was \$2.6 million. This provides for the basic support of the Mission. • The EXO and her staff appear to be aware of their responsibilities and internal controls. We noted the use of appropriate internal controls related to (1) personnel management, (2) Mission security plan, (3) inventory control, (4) computer access controls and security and (5) motor pool operations. However, we also noted some areas of concern: (1) infrequent monitoring of security logs and (2) no approval or testing of the Emergency Action Plan or Disaster Recovery Plan. Although we did not note any problems with the procurement and receiving functions, the Mission should continue to monitor the overall processes for the acceptance and receipt of goods and services on a regular basis to maintain adequate separation of duties. 	

- The Mission’s FY 2003 FMFIA report disclosed the following weaknesses: (1) risk assessment has not been performed, (2) contingency plan has not been developed, (3) the contingency plan has not been tested and (4) the disaster recovery plan has not been developed.

Function Description	Risk Exposure
Controller’s Office: This office is responsible for the financial management of the Mission’s programs and operations.	Moderate
Risk Assessment Factors	
<ul style="list-style-type: none"> • Although the controller’s functions are divided between Serbia and Montenegro, the controller can provide only limited oversight for operations in the Montenegro office. This may increase the risk that (1) individuals may act outside the scope of their responsibilities, (2) financial reporting may be delayed, and (3) funds violations may occur. The Mission has reported such violations in the past. • Staff appeared to be knowledgeable and experienced relating to job responsibilities, however, most of the staff is relatively new to USAID. • Unannounced cash counts are conducted periodically although the documentation of the results of cash counts are not always maintained at the Mission as required by 4 FAH-3 H 397.1-2, Verification of Funds—General Provisions. • The newly implemented MACSTRAX system allows for real time accounting and processing of vouchers, but all required staff has not been trained to use this system. • The controller’s staff backstop each other for various internal accounting functions. While such a system can improve the efficiency of operations, appropriate staff training and management supervision is needed to ensure that appropriate internal controls, including the separation of duties, are maintained. • The Mission receives a large number of vouchers from local and international vendors; unless vouchers are properly managed, the Mission may be liable for the payment of penalty interest. • Vendors request cash payments which create greater administrative burdens than payments by check or wire transfer. 	

- The Mission has experienced problems ensuring the timely collection of funds owed as required by the Prompt Payment Act. The office now notifies employees immediately.
- The Mission’s FY 2003 FMFIA report did not disclose any material weaknesses.

Conclusion

We examined the risk associated with the various aspects of the USAID/Serbia and Montenegro Mission. The table below summarizes the conclusions.

USAID/Serbia and Montenegro Functions	Risk Exposure		
	High	Moderate	Low
Economic Policy and Finance Office		✓	
Democracy and Governance Office			✓
General Development Office		✓	
Program Office			✓
Executive Office		✓	
Controller’s Office		✓	

We believe that much of the risk associated with USAID/Serbia and Montenegro’s program objectives not being met are due to the uncertainty of political and economic reforms. We also found instances where the Mission has appropriately identified and disclosed weaknesses, and taken aggressive action to correct problems. In some cases, however, additional management action and improved procedures are needed to ensure adequate program controls.

Based on our observations, conversations and limited review of documentation, we are offering the following suggestions for Mission management’s consideration. These suggestions are not formal audit recommendations and do not necessarily represent deficiencies, but involve possible improvements or enhancements to activities which could already be in progress. Specifically:

- The Mission should assure that CTOs attend CTO training and Supervisory CTO’s attend the Supervisory CTO training; and,
- The Mission should assure that CTOs and other implementers understand the scope of CTO responsibilities. We also believe that discussions with the RCO could help clarify the CTO’s responsibilities and would alleviate any appearance of an overlap of CTO and RCO responsibilities.

**Management
Comments and
Our Evaluation**

USAID/Serbia and Montenegro Mission officials generally agreed with the contents of our risk assessment of some of its operations. In its comments, the Mission provided two corrections to our background section as well as additional information on its offices. We have incorporated some of the information in the final report, where appropriate.

The Mission also responded positively to our concluding suggestions on CTO training and responsibilities and discussions with the RCO.

The full text of USAID/Serbia and Montenegro's comments is included as Appendix II to this report.

**Scope and
Methodology****Scope**

The Regional Inspector General/Budapest conducted this risk assessment to gain an understanding of the programs and activities of USAID/Serbia and Montenegro. This was not an audit and does not contain any formal recommendations. The risk assessment was conducted at USAID/Serbia and Montenegro (Serbia) from October 6–24, 2003. To date there has been no program audits in Serbia and Montenegro, thus, the purpose of this assessment was to identify the more significant areas of vulnerability within USAID/Serbia and Montenegro’s administrative and program operations and to assist RIG/Budapest in planning program audits for fiscal year 2005 and beyond.

The risk assessment focused primarily on fiscal years (FY) 2003 and 2004 data and, as necessary, data from previous years. USAID/Serbia and Montenegro has never been subjected to review by RIG/Budapest. As a result, our period of review also covered various transactions since the start of the Mission during calendar year 2000.

Methodology

To perform this risk assessment, we interviewed USAID/Serbia and Montenegro personnel and examined documentation to obtain an understanding of the Mission’s objectives, programs and activities. We assessed selected controls at the Mission and the Strategic Objective (SO) team levels to determine if they were adequate and working as designed. We also interviewed the personnel of the implementing partners for some of these activities to obtain an understanding of the program and internal controls. We judged risk exposure by considering the likelihood of: significant abuse, illegal acts, and/or misuse of resources, failure to achieve program objectives, noncompliance with laws, regulations and internal policies. We assessed overall risk exposure as low, moderate, or high. A higher risk exposure simply indicated that the particular function is more vulnerable to not achieving its program objectives or to experiencing irregularities.

Our overall risk assessments did not make definitive determinations of the effectiveness of internal controls. As a part of the scope of our review, we (a) identified a judgmental sample of transactions, (b) obtained an understanding of the components of the internal controls related to the relevant sample selected, and (c) assessed what was already known about the internal controls. Also it should be noted, we did not (a) assess the adequacy of the internal control design, (b) determine if controls were properly implemented, or (c) determine if transactions were properly documented.

Our risk assessment of USAID/Serbia and Montenegro considered the following limitations:

- Higher risk exposure assessments are not definitive indicators that program objectives were not being achieved or that irregularities were occurring. A higher risk exposure simply implies that the particular function is more vulnerable to the occurrence of such events.
- Comparison of risk exposure assessments between organizational units and implementing partners is of limited usefulness due to the fact that the assessments consider both internal and external factors, some being outside the span of control of management.
- Risk exposure assessments in isolation are not an indicator of management's capabilities due to the fact that the assessments consider both internal and external factors, some being outside the span of control of management.

We judgmentally determined a risk level of low, moderate, or high for the Mission's various programs and offices. The final assignment of the risk level to an office was judgmentally determined considering the external factors which could have had an effect on the programs in some cases. We also assessed how sufficiently we believed the strategic objectives (including implementing partners) or the offices had met the prescribed regulations, operating guidelines and internal control procedures in its program, financial, accounting and administrative management.

Management Comments



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
Serbia and Montenegro
American Embassy, Belgrade

MEMORANDUM

TO: Nancy Lawton, RIG/ Budapest

FROM: William S. Foerderer, Acting Mission Director

DATE: March 11, 2004

SUBJECT: Draft Report on the Risk Assessment of USAID Serbia and Montenegro

The Mission Management reviewed the subject draft report and generally agrees with its content. Following are Mission comments on several sections of the draft report and the suggestions offered.

The Mission recommends two changes in the Background section to correctly state the name of the country and clarify its recent history:

1. The 2003 Constitutional Charter of Serbia and Montenegro adopted the name of the State Union of Serbia and Montenegro.
2. There was no military government, rather the country transitioned from the semi-authoritarian Milosevic-led government to a democratically oriented government in late 2000.

COMMENTS RECEIVED FROM THE ECONOMIC POLICY AND FINANCE OFFICE (EPFO):

- The EPFO notes that SO 1.3, as originally conceived, was to receive \$30 million per year. Since 2001, this SO received significantly less than the planning levels with only 2003 approaching the \$30 million threshold. So, while it is true that SO 1.3 funding increased significantly between 2001 and 2003, systems and procedures are in place to accommodate anticipated annual funding greater than what has been received.
- FSN and expatriate staff have significant experience in their respective fields of banking, commercial law and small and medium enterprise development, thus their knowledge of host country institutions is extremely comprehensive. Although Foreign Service National staff in the EPFO are relatively new to the Agency, all professional staff are certified Cognizant Technical Officers having successfully completed the requisite courses in 2001 and 2002. Support staff received appropriate training in files management, and took the Planning, Achieving, Learning (PAL) course providing an overview of USAID systems and the budget processes.

- CTOs are in regular contact with the Regional Contracting Officer, and engage the RCO in all matters of contract and cooperative agreement management. These initiatives successfully remedied issues in a timely and efficient manner.
- The EPFO has seven awards instrument and one tender. With only one exception, there has been continuity and stability in the staffing of each. In one instance, a project endured significant staff turnover and the RCO has been intimately engaged in resolving this matter to the satisfaction of the Mission.
- Professional and support staff received appropriate general and specific training related to USAID systems and procedures, acquisition and administration. Additional training will be scheduled as a part of the regular process of skills building and staff strengthening.

COMMENTS RECEIVED FROM THE GENERAL DEVELOPMENT OFFICE (GDO):

- In response to the lack of CTO training mentioned in the report, the GDO took action to ensure that all CTOs will attend training this year. The Office Director completed the Supervisory CTO courses in February, 2004, and is certified. The two uncertified CTO's are scheduled to take the CTO training in April and August, respectively. Additionally, a senior Foreign Service National staff member will be enrolled in the CTO courses this fiscal year. Hence, by the end of fiscal year 2004, the GDO will have five certified CTOs.

COMMENTS RECEIVED FROM THE EXECUTIVE OFFICE:

- *The EXO and her staff appear to be aware of their responsibilities and internal controls. We noted the use of appropriate internal controls related to (1) personnel management, (2) Mission security plan, (3) inventory control, (4) computer access controls and security, and (5) motor pool operations. However, we also noted some areas of concern: (1) infrequent monitoring of security logs, (2) weak separation of duties between the procurement assistant and the receiving clerk, and, (3) no approval or testing of the Emergency Action Plan or Disaster Recovery Plan.*

Areas of concern:

(1) infrequent monitoring of security logs,

When USAID migrated to Windows 2000, it moved most of the security monitoring functions back to IRM in Washington. The EXO/ISSO requested guidance from the AGENCY/ISSO on what monitoring needed to be done. None was provided. The Executive Officer has asked for guidance again and, when received, will set up a schedule for monitoring.

The Mission Systems Manager monitors security logs. He examines the Security Logs under the event viewer on a weekly basis. The audit logs of the USAID.YU website server, hosted externally, are also monitored by him. Finally, the Assistant Systems Manager reviews the Antivirus Definitions Log daily to update antivirus protections and see what events occurred.

(2) weak separation of duties between the procurement assistant and the receiving clerk,

As per telephone discussions between D/RIG Jacqueline Bell, Auditors Gardenia Franklin and Gweneth Hughes, TDY RSC/RMSO Executive Officer Jerry Nell and myself on March 8, we believe there is adequate separation of duties.

According to Gweneth Hughes, who assessed the EXO operations, the Procurement Agent stated that he “receives” goods from vendors and thus there is a risk because the person ordering the goods also “receives” the goods. However, the receiving function is not executed by the Procurement Agent, rather, he performs the acceptance function for locally procured goods.

Goods are “ordered” by the Executive Officer and other Mission staff. Staff place orders via the Procurement Request function of EXOAPPS (an electronic Executive Office management program). The request must be approved by the Executive Officer. Once approved, it is forwarded to the Procurement Agent who identifies vendors and competes the procurement per FAR/AIDAR regulations. For more complex procurements, the Procurement Agent works with the Executive Officer who provides guidance. Depending on cost, procurements are effected either by Petty Cash or with a Purchase Order/Contract. The Procurement Agent prepares the Purchase Orders/Contracts which are reviewed by the Executive Officer (including Memorandums of Negotiation), scrutinized and funds reserved by the Controller’s Office, and finally signed by the Executive Officer. The Procurement Agent is responsible for all interactions with vendors from the time when quotes are requested through the delivery of goods to USAID. This includes following up on delivery dates, shipping problems, as well as ensuring that invoices are received.

When the Procurement Agent accepts the goods from local vendors, he verifies that they match the goods ordered and then turns them over Property/Receiving Clerk who officially receives them. We do not want the Property/Receiving Clerk to be interacting directly with vendors since this would allow for an even greater risk since that individual could claim that goods were “received”, control the receiving records, and have no other party between the vendor and the receiving function.

The Property/Receiving Clerk receiving function includes matching the goods ordered with the procurement documents and preparing receiving reports. Completed receiving reports are handed over to the GSO for entry into the NXP Bar Scan data base for non-expendables, into stock control cards for expendable items, or delivered to the requestor for special order items. Invoices are not paid until the Property/Receiving Clerk, or person ordering the goods or services, verifies their receipt. In this manner, the Procurement Agent can not claim that goods have been received and process the invoices without verification of another person as well as a review by the Executive Officer.

(3) no approval or testing of the Emergency Action Plan or Disaster Recovery Plan.

The Emergency Action and Disaster Recovery Plans are in process and all testing, etc. should be completed within one month from this response.

“The Mission’s Federal Managers’ Financial Integrity Act (FMFIA) report for FY 2003 disclosed the following weaknesses: (1) risk assessment has not been performed, (2) contingency plan has not been developed, (3) the contingency plan has not been tested, and, (4) the disaster recovery plan has not been developed.”

The following are updates of the FMFIA FY2003 report:

(1) risk assessment has not been performed,

As discussed with Gweneth Hughes, an assessment by RSC/RMSO Executive Officers was requested last fall. The assessment is currently underway and will be completed by March 26th. It should also be noted that having an assessment prior to this time was not practical since the Mission was in the start-up phase.

(2) contingency plan has not been developed, (3) the contingency plan has not been tested, and, (4) the disaster recovery plan has not been developed.

The contingency plan is comprised of the Emergency Action and Disaster Recovery Plans. As stated above, it is being developed and will be tested shortly.

COMMENTS RECEIVED FROM THE CONTROLLER'S OFFICE:

- The Mission disagrees with the statement in the Controller's Office assessment that "...the results of cash counts are not always documented." 4 FAH-3 H-397.1-2, Verification of Funds—General Provisions, requires a monthly, surprise cash count which is documented, signed and dated by all parties, and sent to the servicing United States Disbursing Officer. Noncompliance with this regulation will result in the discontinuance of the cashier operations. The Mission is in compliance with the cash count and reporting requirements and will make all requisite documents available at the RIG's request.
- The Controller's Office Assessment states that "...all required staff have not been trained to use this system." The Mission notes that all Controller's Office staff members, with the exception of the newly-hired Voucher Examiner, were trained to use either MACS or MACSTRAX, depending on their positions, at the time of the Team's visit. Since then, the Voucher Examiner has been fully trained.

MISSION'S COMMENTS IN RESPONSE TO THE SUGGESTIONS GIVEN IN THE DRAFT REPORT:

- The USAID/Serbia and Montenegro Mission reopened in early 2001, and new staff, both expatriate and Foreign Service National, have been recruited since that time. All staff is receiving appropriate and relevant training, including that which is related to CTO functions and responsibilities. Professional project management staff have been certified as CTOs as expeditiously as possible and practicable. Supervisory CTO training has been scheduled since the conduct of the RIG's Assessment, and relevant staff has commenced taking this advanced level of training. Staff joining the Mission in 2004 will similarly be scheduled for Supervisory training at the earliest possible time.
- The Mission will continue to support CTO and Supervisory CTO training for all relevant and appropriate staff. The Mission will continue to work closely with the RCO to ensure that duties and responsibilities are appropriately and efficiently dispatched.
- USAID/Serbia and Montenegro will continue to work closely and cooperatively with the RCO in order to ensure that roles and responsibilities are clearly defined. In addition to the review of the authorities delegated to CTOs in the CTO designation letters that are in place for each project, and which are on file, the Mission will ensure that all elements of these letters are heeded and not exceeded.

Thank you for taking the time to conduct this assessment. The Mission is committed to reducing risk and appreciates the efforts made by your Assessment Team toward helping the Mission achieve this goal.

Please do not hesitate to contact me or my staff if you need additional information to finalize this report.