

**DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT**

Washington, D.C.

**REPORT ON EXAMINATION
of the
REGIONAL TECHNICAL AIDS CENTER**

Paris, France

For the Period Ended February 29, 1964

**INTERNAL AUDIT BRANCH, AUDIT DIVISION
OFFICE OF THE CONTROLLER**

Audit Report No. 64-30, Dated June 30, 1964

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REPORT ON EXAMINATION

of the

REGIONAL TECHNICAL AIDS CENTER

Paris, France

Scope of Examination

We have made an examination of the activities and operations of the Regional Technical Aids Center (RTAC) in Paris, France, for the purposes of determining the status of the program and the effectiveness of implementation of the planned operations. Our examination covered the period from the inception of RTAC in June 1962 through February 29, 1964, and included research in the offices of A.I.D./W and a visit to the RTAC offices in Paris. During the month of February 1964, the European Area Controller's Office in Bonn, Germany, had conducted an audit which concentrated on procedures and compliance with regulations, and there is no overlapping of material in the Bonn report with the findings and conclusions contained in our report. In the body of this report are five recommendations for improvement or change which, in our opinion, will benefit the program as well as the operations of the Mission.

Summary of Audit Findings

Our audit findings are summarized below followed by reference to the applicable page number in the report. For convenience, a separate listing of the recommendations is shown in Exhibit A.

We found that the RTAC was overstaffed for the volume of business handled, and we were of the opinion that, because of the present low saturation point of the new African nations relative to training and technical information, a reevaluation of the scope for future RTAC programs would be in order.

(pp. 2-4)

The Organization for Economic Cooperation and Development (OECD) indicated a desire to coordinate its program with the RTAC to avoid overlapping material and to find areas where the two programs might complement one another.

(pp. 4-5)

Technical publications of a theoretical nature subsidized by \$45,000 in U.S. funds seemed inappropriate for African consumption, and consequently a waste of money.

(pp. 5-6)

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Although this was a translating and printing service for newly formed French speaking African nations, the publishing was partly done at a high cost in France instead of Africa.

(p. 6)

The RTAC record keeping was poorly organized and required an inordinate number of man hours.

(pp. 8-9)

Background

In June 1962, the RTAC was established in Rabat, Morocco, for the purpose of translating technical and training publications from English into French or Arabic, and printing and shipping copies of such materials to 18 African and 3 Far Eastern USAIDs. In addition to its translating and printing activities, the RTAC was financing a book subsidization program. English language training films were being dubbed on a French sound track before being circularized to missions on a loan basis. A number of specialized translations of mission reports and documents had been performed through the RTAC.

The rationale for originally locating the RTAC in Rabat was that Morocco was one of the most advanced French speaking countries of Africa, where skilled interpreters would be available while, at the same time, Morocco itself would be aided in developing a printing and related industries. In January 1963, it was decided to move the RTAC to Paris for reasons that, upon investigation, have seemed to us good and sufficient. Among such reasons were the availability of better translators, proximity to printers and film dubbing studios, and better communications with Africa. We were told by RTAC officials that a seeming paradox to African nationalism has been that the newly independent African states trust their former French colonial masters more than they trust each other, with the result that anything emanating from Paris has the ring of truth while that coming from Africa is doubted.

Although the RTAC has thus far performed valuable services, it appears to us that RTAC's usefulness may reach a point of diminishing return in the near future. Rapid future expansion should be avoided, although the RTAC could probably handle twice its current volume of business with its present staff. The capacity of new African nations to absorb training and technical information remains severely limited, with literacy rates in many countries of former French West and Equatorial Africa being as low as five percent of the population. It must further be realized that by mixing countries like Tunisia and Upper Volta, the RTAC may be attempting to serve too widely varying a clientele. Although both Tunisia and Upper Volta have the same population, the former country, with a temperate climate and a large European population, has developed a relatively sophisticated economy, whereas Upper Volta remains a sere, barren, tropical land with little hope of economic improvement.

Personnel

The RTAC was authorized a staff of two Americans - a Director and an assistant - and eight local employees. Of the locals, three were professionals, two being editors while the third engaged in film editing and dubbing. There were three secretaries, an accountant, and a shipping clerk.

Neither of the two Americans had had any experience in the publishing field, but the Director had served as a Contracting and Industry Officer at two USAIDs. The Assistant Director had, since the end of World War II, served for 12 years as a translator for the U.S. Army in Europe and for 5 years had been attached to the Morocco USAID as a translator/political reporter. It was our opinion that the present program needed reevaluation with the possibility of maintaining it at the same level or of reducing the FY 1965 allotment. If a reduced program were approved, the services of the Assistant Director should not be needed beyond the end of CY 1964. The present Director was scheduled to go on home leave in the summer of 1964, and the assistant would probably extend until the Director's return. At that time, the position of Assistant Director might be abolished with an estimated annual saving of \$17,000 in out-of-pocket costs; a further possible saving might result from eliminating the position of the Assistant Director's secretary. At some later date, it might be desirable to employ a bilingual American secretary to serve as a combination secretary and administrative assistant to the Director.

With regard to the Assistant Director, A/CRD, A.I.D./W stated that the command of the French language represented by this position is worth the cost. This command is particularly important in the translation of operating documents where A.I.D. interest in the accuracy of translation is of a high order. We agree that a well-qualified translator is required; however, we do not agree that a highly paid assistant director serving as a translator is the proper answer. While we are not making a positive recommendation to eliminate the position of assistant director, we believe that AA/AFR, A.I.D./W should accord the matter careful consideration concurrently with a reevaluation of the program.

We were also concerned that there was at the RTAC no one experienced in the various phases of the publishing business, including pamphlet printing and film dubbing operations. A specialist in this field should be brought to Paris on TDY for several weeks in order to scrutinize contracts, set up publishing requirements, and check the technical operations.

Recommendation No. 1

AA/AFR, A.I.D./W should (a) evaluate the RTAC/Paris activities to determine the appropriate scope to be pursued in the future and the possibility of reducing the staff, and (b) consider dispatching a short-term specialist to advise RTAC/Paris on the technical aspects of the program.

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AFR/DP, A.I.D./W Comments

By memorandum received May 4, 1964, AFR/DP advised us that it had just completed a survey of the requirements for French language technical publications for use in the French-speaking countries of Africa. The need was reaffirmed for lower level mass distribution of the "how to do it" type, eliminating the provision of technical books of the type provided through the FY 1963 Book Program. In addition, with the reorganization of many of the USAIDs in French-speaking Africa, a greater use of RTAC program document translation services is anticipated.

Translating and Printing Performance

As of February 24, 1964, the RTAC had completed translating and printing about 4,600 pages of text material involving 125,000 copies of 76 different pamphlets and brochures. There were currently in process in various stages of completion 34 different books. Of the copies printed, 80,000 had been sent to missions which were then billed at a stated price; each mission was allotted an annual budget for publications which it might order. It was RTAC's practice not to make contracts for translations with individuals, but simply to process requests for translations by means of a purchase order. For uncomplicated translations, RTAC was paying about one cent a word. This price was undoubtedly cheaper than the cost of any translations which might be done in Washington, and translators available in Paris were superior to those elsewhere. We heard numerous complaints of poor translations which were done outside of France.

We contacted the Organization for Economic Cooperation and Development (OECD), an international organization which was an outgrowth of an agency set up during the early days of the Marshall Plan. The OECD had compiled a catalog of a rather extensive list of publications published concurrently in French and English, with a few titles in Spanish. OECD's publications had been developed by its own experts and consultants as a result of special studies or conferences. The OECD had also compiled a mailing list and distributed its materials all over the world, including 631 points in Africa. We felt that the RTAC could make use of both the OECD's library and its mailing lists in determining which new volumes to translate and publish and, in this way, the RTAC might find new outlets where its own publications could be put to beneficial use. OECD representatives indicated a desire to coordinate their programs with RTAC, both to avoid overlapping material and to find areas where the two programs might complement one another. OECD technicians did comment that A.I.D. had always been reluctant to distribute other than U.S.-manufactured books and films, but it is believed that a cross-fertilization of ideas and concepts would be beneficial to both sides.

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Recommendation No. 2

The RTAC/Paris should, to the extent deemed practical, and within AFR, A.I.D./W guidelines, coordinate its publications program with that of the OECD.

Subsidized Book Program

A firm of American book publishers had recently begun operations in Paris and was showing an interest in establishing joint ventures with printers in several different African countries. Such ventures would take the form of establishing one publishing operation to serve several countries, since none of the new African states had a great enough market potential to justify a sizeable publishing program. The RTAC had started a small program of subsidized publishing in Paris with this American firm, having contracted for 18 U.S. books to be translated and published. The publishing firm warranted that it would publish not less than 1,500 copies of each book contracted, with the RTAC agreeing to purchase one-third of the total press run at a price of \$5 per copy, or an investment of \$2,500 per edition. Under the contract, total U.S. payments were not to exceed \$45,000. At the time of our visit, no books had been published, but the publication of nine titles was expected by June 1964, with nine more to be published before the autumn of 1964. The books were selected by A.I.D./W and were of a theoretical nature. All of the books were pitched to a high level; four of them originally had been published by university presses, indicating they had only a small audience even in the U.S. Five of the books dealt with agricultural subjects, e.g., "The Nature and Properties of Soil". Four dealt with economics, e.g., "Farm Management Economics", whereas six treated with the subject of education, e.g., "Colleges for Our Land and Time".

Among the readers of the above books, there may be a few French technicians, but it is doubtful if many Africans will be able to profit from this type of library. We, therefore, considered that the \$45,000 subsidy entailed a considerable waste of money. We criticized a similar waste in RTAC/Mexico, where the publication of 21 titles on the subject of the economics of developing countries was undertaken at the direction of A.I.D./W. We were advised by RTAC officials that no French publisher was willing to touch the contract at the price at which it was undertaken by the American publisher, who took what will be an almost certain loss in an attempt to penetrate the African market.

The French have total control over elementary education in most of their former African colonies, but there appeared to be a gap that needed filling in the grades of the American equivalent of seven through twelve. A subsidized book program directed at middle and low level training should constitute the program most likely to pay dividends in the form of advancing African, as well as American, interests.

Recommendation No. 3

AFR/ID, A.I.D./W should direct future book publishing programs toward middle and low level training publications, and how-to-do-it manuals.

AFR/DP, A.I.D./W Comments

By memorandum received May 4, 1964, AFR/DP stated that a decision had been reached against further efforts in the general book publishing and textbook publishing fields; therefore, the above recommendation was being complied with by RTAC/Paris.

Translations of subsidized books were done in Paris, but the books themselves were being published both in Paris and in Yugoslavia. Both programs were resulting in an outflow of U.S. dollars and not benefiting Africa in any way. If publishing is to be done in Yugoslavia, because of the lower costs, some way should be found to use the surplus U.S.-owned Yugoslavian currency as is currently being done by the U.S. Information Agency in its program in Yugoslavia. Publishing in France should be discontinued as soon as feasible, although translations will probably have to continue to be done in Paris for reasons previously outlined. Actual payments for publishing should be made in African countries only after private publishers have shown an interest and willingness to risk some of their own capital. When undertaken, a publishing program would contribute not only to the development of Africa but, as a corollary, would display the American presence there.

Recommendation No. 4

The RTAC/Paris should (a) discontinue subsidy publishing in Europe, and (b) encourage the development of a publishing/printing industry in appropriate African locales.

Film Services

The RTAC had published a catalog of 165 films available in dubbed French, which could be loaned to missions upon request. The OECD also had its own library of about 800 American-made films acquired without cost from the predecessor organizations of A.I.D. About 300 of these films had been dubbed in French and many of the others, though outdated by American standards, were still useful. The OECD had a library of 3,000 films, including the 800 mentioned above, and was currently endeavoring to assemble on magnetic tape a catalog of all the technical training films in the world. Meantime, the RTAC was compiling its own listings of all the American-contributed films and was scrutinizing them for suitability for dubbing. These lists with a total of more than 700 films have been sent to the field.

The RTAC had contracted with three French studios to dub French sound tracks onto a number of training films of U.S. origin. Each of the three studios had contracted to dub 44 reels, or a total of 132 reels at a cost of \$186 per reel. As of February 29, 1964, none of the dubbing work had been completed, although the original contracts called for the completion of 75 percent of the work. The reasons given for the delays were the unsuitability of some of the subject material, the low quality of the films, etc. The RTAC now felt that it had suitable materials to work with and was proceeding with the dubbing by extending the contracts, hoping to have all the reels dubbed by the autumn of 1964.

The OECD had dubbing facilities of its own, and the RTAC was currently negotiating with that organization to dub some of its less complex films at a cost lower than that charged by commercial studios. There were certain obstacles to the conclusion of an agreement, these being that the OECD's governing council might not approve since OECD is essentially a policy and research rather than an operational organization, and the question of lowered costs of any OECD work had not yet been clearly demonstrated.

The RTAC was currently requesting permission to allocate \$20,000 of its FY 1964 budget for the film program to pay OECD for any services in dubbing technical films and had requested permission from A.I.D./W to negotiate with OECD for such services. Another \$10,000 of the requested budget was to be set aside for procurement and dubbing of films other than from OECD sources, probably to be paid chiefly in the U.S. After the resolution of the two difficulties with OECD, mentioned in the preceding paragraph, it was our opinion that A.I.D./W should honor the RTAC's request for \$30,000 for dubbing operations.

AFR/DP, A.I.D./W, by memorandum received May 4, 1964, advised us that RTAC's request had been approved.

United States Information Agency Activities

The United States Information Agency (USIA) maintained a staff of 18 Americans in Paris, with one section devoted to publishing books for the African market. The USIA had two plans for the subsidization of translating and printing. The first plan was an outright purchase from a publisher of a guaranteed number of books - similar to RTAC's subsidy plan. A second plan was to pay for the translation and printing of about 85 paperback books a year; the books were then shipped into African markets where they were sold through regular commercial distributors at a price well below cost. The printing and sale of 10,000 copies of such books on subjects like political science, American history and culture, and general education, was done at a loss of about \$3,000 per edition. It appeared to us that the USIA plan was one which might have applicability to RTAC and the African missions when books with potentialities for widespread interest are developed. With the exception of publication of a book on economics, there appeared to be no duplication of effort between USIA and RTAC. Neither did there appear to be any possibility for substantial savings, either in direct printing or in office overhead expenditures by combining USIA offices with those of RTAC.

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Budget and Fiscal

In order to establish a closer control over RTAC's funds, the A.I.D. officer at the U.S. Representative's Office (USRO) was made the allottee for RTAC funds. The Embassy's budget and fiscal officer became the certifying officer. As of January 22, 1964, the RTAC Director was named allottee, an action that appeared to us logical.

As of February 29, 1964, \$77,463 of FY 1962 and FY 1963 funds remained unliquidated. The following table shows the fund status:

Allotment for FY 1962	\$ 60,000
Allotment for FY 1963	<u>155,000</u>
Total	\$215,000
Deduct: Expenditures	<u>137,537</u>
Unliquidated Obligations at February 29, 1964	<u>\$ 77,463</u>

The bulk of the unliquidated obligations was represented by the contracts for the book publishing subsidy (\$45,000) and the contracts for film dubbing (\$24,585) which have been described previously. These obligations were of long standing, but RTAC assured us they will be liquidated by the autumn of 1964.

The FY 1964 allotment amounted to \$180,000, of which \$107,828 remained unobligated at February 29, 1964. It appeared that about \$30,000 of this sum could probably be deobligated by June 30, 1964.

Approximately one-half of RTAC's operating costs consisted of salaries. Details of the \$77,000 of estimated annual salary costs were as follows:

Salaries of 2 American employees, including quarters, post, and educational allowances	\$41,500
Salaries of 8 authorized local employees	<u>35,500</u>
Total	<u>\$77,000</u>

In relation to the volume of business done by the RTAC, these salary costs seemed to us excessive, and the situation called for either a reduction in staff or an increase in volume of transactions handled. As mentioned earlier, we believe that the program is approaching the practical limitation to the present absorptive capacity for books and films in Africa. Therefore, it appeared to us that the most appropriate remedy would be cost reduction. However, after a survey of the requirements, AFR/DP, A.I.D./W disagreed. (See AFR/DP comments on page 4.)

Record Keeping

The allotment ledgers for RTAC were kept by the Embassy while the RTAC itself kept simple records of orders received for books. These latter

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records were kept by an accountant, actually a records clerk, who was unable to furnish us with information as to the quantity of the various books on hand in his inventories. Orders for books were received from missions on airgrams which were circulated first to the shipping clerk, then to the records clerk, and finally to a file clerk.

The only two records maintained by the RTAC were those of statements to missions detailing the number of books shipped and the charges therefor, and a card detailing shipping information. Because of the primitive records, there was confusion and disorganization in the bookkeeping. Upon viewing this situation, we furnished the RTAC with the same records materials as used at RTAC/Mexico. These latter materials included (a) cards for a Kardex system to keep a running record of book inventories, (b) a set of requisition forms to be sent to RTAC by missions, (c) records of translations ordered together with records of mission back orders, and (d) a combined statement of charges to missions, complete with a duplicating ledger card. When these new forms have been properly utilized, the job of record keeping should require not more than two or three hours per day of a secretary's time. The job as presently being handled now requires the accountant's full time. A new translator/editor, who had been employed for years by the Bonn Controller's Office as an auditor, was expected to arrive at the RTAC in April 1964. The new translator could set up the proposed system and train one of the secretaries in the work before taking up his new duties, thus making possible a monetary saving through eliminating the accountant's position.

Recommendation No. 5

The RTAC/Paris should (a) adopt the proposed record-keeping system being used by RTAC/Mexico, (b) train a secretary to keep such records, and (c) eliminate the position of accountant.

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EXHIBITS

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AUDIT REPORT RECOMMENDATIONS

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3	AFR/ID, A.I.D./W should direct future book publishing programs toward middle and low level training publications, and how-to-do-it manuals.	6
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DISTRIBUTION OF AUDIT REPORT

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