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 Jack Newman, Acting Director

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Monthly Narrative Report - December

Liaison

The target section of the PROP on tax administration was finally submitted to AID/W on December 18, 1970. The PRO-AG is still bouncing around between the tax team and the program office. Our task now is to prepare the PRO-AG in line with the content of the PROP and resubmit it to the program office for review and approval. Thereafter the PIP must be prepared along the same lines. A FAR must be prepared for the period covered by fiscal years 1969, 1970 and 1971. By the time everything is done the fiscal year will have terminated and the team leader will have spent most of his time in planning and administrative work and very little on direct operations.

ADP

The course spearheaded by Coburn for programmers ended on schedule. Out of the ten participants at least five received high enough grades to receive additional on-the-job training.

At our urging the Directorate agreed to send a programmer to Mexico City as courier of the discs that were to be converted from the 1440 7 track configuration to the 360/25 9 track configuration. The purpose of the courier was to safeguard the tax Agency's records and to ensure that the conversion was done correctly.

Fifteen programs have been written for the clean-up, establishment, and maintenance of the master file. At this point in time the programs have not been tested nor assembled. The main program, the card to tape editing and control run, is still being blocked diagrammed. The master file project is approximately 45 days behind schedule.

Collection

We have had no responses to inquiries concerning Torres' availability for a 60 day TDY in January. As previously reported most of the procedure

was written but requires considerable editing and translating to Spanish; also, that the implementation phase of the TDA system was to be used as a period of on-the-job training. For these reasons AID has agreed to finance an additional 60 days of TDY. We are anxious to know if Torres will be available and if FTAS concurs with the idea.

The first phase of reorganizing the delinquent accounts file has been completed and classification of the accounts reflects the following:

<u>Group</u>	<u>Age of Account</u>	<u>No. of Accounts</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
A	Aug. - Sept. 1970	1.289	6.6	Lps.1,509,533	28.9
B	Jan. - July 1970	4.510	23.1	1,627,240	31.1
C	1969 & prior	13.691	70.3	2,089,160	40.0
		<u>19,490</u>	<u>100.0</u>	<u>5,225,933</u>	<u>100.0</u>

Group A is essentially a classification of accounts that are in notice status. Group B accounts are delinquent accounts which will be handled for collection action following the new procedure for TDA's. Group C will eventually represent the closed accounts file, but all of the accounts placed in Group C when the file was formed initially will be subjected to individual handling to determine collectibility. Moreover, taxpayers with an account in Group C that also have accounts in either Group A or B will be withdrawn from the former group and processed with the latter groups.

The classification of accounts into the groups shown above will be of great value in directing collection efforts to the more recent accounts which are easier to collect and more productive as the above break down clearly shows.

Audit

One of the main projects in Audit was to prepare a manual on Audit Techniques but because of time limitation have made little progress in this area. However, we have gathered a lot of material for this purpose both in English and Spanish and the Director General has agreed to

to assign an experienced auditor to work with us in developing such a manual.

Training

We are participating in developing a supervisory training course to be given to all current and potential supervisors. There was some resistance from old supervisors who objected to non-supervisors receiving the same course because they could use the new learned knowledge against them. This type of thinking points out the need to clarify the supervisor's role. The participant that returned recently from the INTAX Seminar on supervisory Development will conduct part of the training course as will other ex-participants. Several films on supervision obtained from RTAC will be used in the supervisory training course.

Conrado E. Longoria