

PAGE FOUR (4) "STATISTICS ON GOH REVENUES FOR 1969 AND 1970" IS ATTACHED TO THE BI-WEEKLY REPORT ON PUBAD PROJECTS FOR THE PERIOD ENDING FEBRUARY 15, 1971.

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Narrative Report - January 1971

GENERAL

From January 1 to 11 I was on annual leave and for the week ending January 29, Marion Coburn was in Lima, Peru attending the CIAT Technical Seminar. January was also the month to prepare and submit Performance Evaluations Reports. Several days were also spent with mission officials going over the Tax Administration Program for purposes of preparing a PAR. The Pro-Ag was finally completed and will be ready for signing once the translating and typing is completed. We are in urgent need of this document to obligate funds available under "Local Costs."

ADP

Master File:

The Master file project remains behind schedule approximately 60 days. Programs for the system are behind, due to problems experienced with the new computer during the physical installation and subsequently with the operation of the computer. We are nevertheless starting the processing of 1970 returns under the new system. Several blocks of income tax returns have been numbered, the preliminary review has been performed by audit and the returns are now ready to be coded. As soon as the indices and the controls for registration numbers are printed, the returns will be processed through coding. Processing manuals for batching (blocking) and for the preliminary review are still in draft form but being used.

Computer Installation:

The 1440 was finally removed because IBM technicians could not make it operate properly after transferring it to the temporary

site. The 360/25 was useless all of December and most of January because of the inexperience of IBM technicians who could not determine the difference (except after long periods of down time and many reruns) between a machine failure, program bug or an operation failure. With the assistance of the two AID ADP Advisors, Coburn and Colon, a list of the major complaints was submitted to the local IBM firm and a cable sent to IBM headquarters in Mexico. The cable to Mexico brought about a concerted effort from local IBM management to solve our problems and immediate improvements were realized.

CIAT Technical Seminar:

Coburn accompanied the ADP Chief, Juan Chavarria, to the CIAT Technical Seminar in Lima, Peru. After hearing papers on the various planned topics the conference ended up in a general discussion on problems. It was discovered that virtually every Latin American country regardless of computer supplier, had problems similar to those of Honduras - i.e. poor technical help in engineering and systems. A committee of three was formed to study the problem and recommend possible solutions. Coburn was favorably impressed by the presentations of the IRS delegates, Mr. Don Elsberry and Mr. Lancelot Armstrong. Their frank admissions that even the sophisticated IRS systems had "growing pains" similar to those the Latin American countries are experiencing, did a lot in establishing rapport with the conferees. As a result of Mr. Elsberry's presentation and frank discussions, the Honduran representative came away very much enthused and with a new outlook towards his problems and more determined to improve his own operation. Coburn has noticed a marked improvement in the manner in which his counterpart is running the department.

COLLECTION

We were counting heavily on Torres returning to complete the manual on the TDA procedure and to carry-out its implementation. Since he was unable to return, Coburn and I will take the project over. Coburn is coordinating the part that involves ADP outputs, I am preparing the manual on the handling and control of TDA's and on the office and field collection

procedures. The manual is about 70% complete. Incidentally we have gotten a terrific assist from the Collection Manual developed for Nicaragua by the Tax Team there.

TRAINING

The supervisory training course mentioned in our December report is scheduled to be given in March. The course content is being developed by the Chief of the Administration Division with the assistance of several of the more experienced people of the DGT. Those that will do the training have had an opportunity to view the RTAC films so that they can be better prepared to discuss them with the participants.

During January the Chief of PAD and I visited the "Centro Cooperativo Técnico Industrial" to explore the possibility of that center giving training courses in accounting and audit techniques to employees of the DGT. There is a charge per student for each course which the USAID/H is willing to finance. The center is looking over the IRS correspondence accounting course material from which we are certain they can put together a course in accounting. The center will also work on an audit techniques course along the lines specified by the DGT and its advisors.

