



Costa Rica Ministry of Public Finance Improves Taxation Accuracy With Informatica Data Profiling and Data Quality

FAST FACTS

BUSINESS INITIATIVES

- Improve taxation accuracy through enhanced data quality
- Increase revenues by identifying non-compliance and fiscal fraud
- Build public confidence and avoid risks of errant taxation
- Achieve sustained data quality with a permanent, integrated solution

TECHNOLOGY STRATEGY

- Use data profiling to identify discrepancies in mission-critical tax data
- Correct 15 million data errors in tax rolls and 28 million in related accounts
- Avoid 12 years of manual coding, high costs, and delays
- Implement data profiling and quality on an ongoing basis

BENEFITS

- Greatly improved quality of tax information
- Realized faster time to value and processes
- Gained enhanced understanding of data sources
- Built a solid foundation to support new data-related initiatives

NUTS AND BOLTS

Data Profiling: Informatica Data Explorer

Data Quality: Informatica Data Quality

Sources: Taxpayer rolls, related accounts

The Challenge

The stakes are high when it comes to data quality and taxation. Inaccurate data can result in a government agency losing out on significant revenue through errant mailings, incorrect addresses, and financial data that varies across disparate applications. Conversely, inconsistent data can also result in overtaxation or multiple billings that undermine public and legislative trust and invite a public relations nightmare.

At the Ministry of Public Finance in Costa Rica, agency officials and IT leaders recognized the potential problems that could ensue from subpar data quality in the information systems used by its National Office of Direct Taxation. Based in the capital of San José, the Ministry is responsible for establishing and implementing the financial policies of the Central American nation.

In 2005, Ministry officials began working with the Costa Rica-based BD Consultores systems integration firm to select a data quality solution that would enable it to zero in on data quality issues in its tax rolls. The effort was viewed as important because improved data quality would mean the National Office of Direct Taxation could better identify and correct instances of taxpayer non-compliance and fiscal fraud. In addition, the initiative would give government officials confidence that the data used for taxation was complete, consistent, and accurate.

In the midst of developing project criteria and objectives with Ministry officials, BD Consultores recommended the Informatica Data Explorer data profiling and Informatica Data Quality solutions. BD Consultores is the exclusive Informatica distributor in the region and has assisted other organizations, including the Banco Nacional de Costa Rica, in deploying Informatica data integration technology.

The Solution

The first phase of the deployment involved using Informatica Data Explorer to analyze the structure, content, and quality of National Office of Direct Taxation data. With Unicode compliance that supports multiple Latin and non-Latin languages, the Informatica data profiling tool uses a sophisticated combination of automated data discovery and interactive analysis to give data analysts breakthrough visibility into highly granular enterprise data that is often difficult to understand when it exists in diverse formats across heterogeneous systems.

The exercise revealed that data quality problems in the National Office of Direct Taxation were more widespread than believed. Use of Informatica Data Explorer exposed some 15 million data errors in taxpayer rolls and 28 million data errors in related accounts, according to Ministry officials. The unexpected scope of data quality issues forced the project's timeframe to expand from four to 10 months, and involved tax-related information from the Costa Rica Supreme Electoral Court, the Vital Statistics Register, and the Public Register.

"We didn't know we had so many informational errors, but by using Informatica Data Explorer and Data Quality we were able to make the corrections quickly and reliably," said Reinier Soto, assistant director of Systems Engineering at the Ministry of Public Finance. "The project took longer than the four months originally planned due to a matter of requirements, not from any fault of the representatives of BD Consultores, with whom we had good communication and support." Once the profiling project had generated a reliable data foundation, Ministry and BD Consultores officials deployed the Informatica Data Quality solution to standardize, cleanse, match, and de-duplicate data. A highly graphical "scorecard" featured in Informatica Data Quality helped to accelerate processes and enable analysts to easily track progress of the data quality initiative.

The Results

Avoid 12 Years of Manual Effort and High Costs

With implementation of Informatica Data Explorer and Data Quality, the Ministry of Public Finance avoided what would have been an estimated 12 years of manual effort to identify and correct the millions of data errors in National Office of Direct Taxation systems, Soto said. The ease of use and sophisticated capabilities of the Informatica platform was credited with enabling the Ministry rapidly achieve its objectives of accurate, reliable information to support its taxation processes.

Increase Confidence in the Accuracy of Public Taxation

The data profiling and cleansing initiative was a milestone achievement in the Ministry's effort to improve the reliability and precision of public taxation through improved data quality. With the project's completion, the Ministry has demonstrated to the public as well as to legislative and executive government branches that its taxation processes are sound and verifiable. Use of Informatica technology positioned the Ministry to increase revenues by identifying instances of non-compliance and fiscal fraud and gave it a greatly enhanced understanding of its diverse data sources.

Ensure Sustained Data Quality With Permanent Monitoring

Rather than using Informatica Data Explorer and Data Quality in a one-time project, the Ministry of Public Finance has deployed Informatica technology at the core of a new data quality infrastructure. The system provides ongoing data monitoring and cleansing to help ensure high degrees of data integrity well into the future. The data quality system is especially important in supporting a new "digital taxation" project now in the works at the National Office of Direct Taxation.



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