



Case Study of Tax Credit Audit

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Informatica Dublin Outline

- **High volume Data processing**
- **Dublin center mainly responsible for Data Matching, Natural Language Processing, Data Standardization, Data Quality, Reporting and Address Validation**
- **Functionality used as standalone offering on company platform and embedded by multiple internal product groups**

Background to claim

- **Claim period 2006-2008**
- **Large multi-year project covering all parts of existing product and significant new feature development**
- **Very detailed structured document chain from Business Justification down to detailed design**
- **R&D function folded into development work**

Audit Preparation

- **Review of Initial Submission document with external consultants**
- **No clear idea of revenue expectations around documentation**
- **Large extract prepared of all documents covering Submission with a “more is better approach” to deciding which documents were relevant**

Audit Meeting 1

- **Met with Revenue official and technical expert with background in computer science**
- **Presentation of background material from product manager and R&D to set context**
- **Outlined documentation set and internal document workflow used. Some verbal linking of submission to document set**

Audit Meeting 1 Continued..

- **Official found document set very difficult to navigate.**
- **Documents difficult to relate to detail in original submission**
- **Agreement to refine documents and link more strongly to original submission**
- **Finance aspects covering figures, data collection and calculation were accepted after audit review**

Audit Meeting 2

- **Review of the summarized linked document set**
- **Issue with type of development presented and exact meaning of experimental approach**
- **Lack of research notebook approach was a key sticking point in proving case to external expert**
- **Agreement to mine available artifacts to build a notebook agreed**

Audit Meeting 2 Continued..

- **In practice in a software development office, this consists of emails, wikis, additional documents, whiteboard sessions, research papers and handwritten notes**
- **Proved impossible to build sufficient additional documentation to prove point**

Audit Meeting 3

- **Final meeting in Revenue offices to address documentation limitations**
- **Meeting with multiple additional Revenue Financial and Technical staff**
- **Issues revolved around differences in definition of experimental research**
- **Output was an agreement to create an additional document to detail all Technical Uncertainties and Technical Advancements for the period. This document was nearly 40 pages in length**

Final outcome of Audit

- **After nearly 18 months in duration**
- **Initial submission was accepted**
- **Note to maintain more relevant documentation going forward**

Lessons Learned

- **Original Submission document did not detail clearly Technical Uncertainties and Technical Advancements of Claim**
- **Existing development document set did not link tightly to TA's and TU's**
- **Central collection point established for all artifacts related to R&D Tax claim**
- **Linking of TA's and TU's and standard development process**

Questions ..