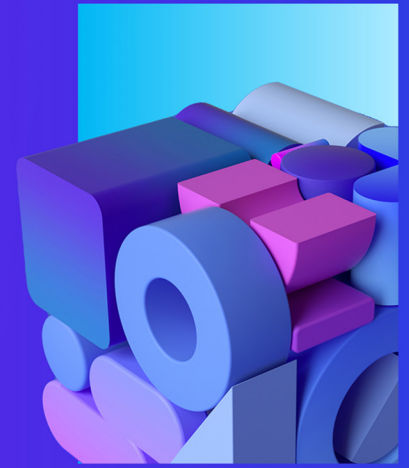




ICFR as a Service

The tool you can trust for risk management and compliance automation and integration



As regulations, compliance, and disclosure demands increasingly burden organizations across all industries, new processes and infrastructure are needed to comply with changing landscapes, which causes costs to increase across the enterprise. With an ever-increasing amount of data to process, manual compliance is error prone, unnecessarily complex, and time-consuming.

With KPMG's deep industry and functional risk management experience, we help executives in **Finance, Risk, Audit,** and **Technology** automate and integrate risk management and compliance programs via our Internal Controls for Financial Reporting (ICFR) as-a-Service. Our suite of cloud-based managed services allows our clients to automate and find operational efficiencies, while helping to manage costs and reduce errors providing an end-to-end, Governance, Risk and Compliance (GRC) managed service.

Through our alliance technology platforms, we enable our clients to streamline and monitor their ICFR programs and enable compliance with **NI 52-109 and/or SOX-404 requirements**. ICFR-as-a-Service also facilitates collaboration between business leaders, control owners, and internal control teams, helping enable improvements in risk culture and ownership of risk accountability so organizations can focus on strategic outcomes, enhance operational excellence, and build stakeholder trust.

ICFR Risk-as-a-Service

ICFR-as-a-Service is a preconfigured, **cloud-based managed service solution** that provides end-to-end ICFR/SOX management to help ensure public companies prepare reliable and accurate financial statements.

The solution has been designed by KPMG's SOX/ICFR and audit professionals to assist organizations' audit, risk, finance, and information technology teams simplify risk management, reduce costs, and increase visibility. The solution is hosted

and managed by KPMG, requiring minimal business and IT support for maintenance – making it **cost effective** with a lower upfront capital investment and offers **more flexibility** through transparent managed service subscription fees.

How does ICFR impact public companies?

As part of establishing a sound control environment, organizations must encourage a corporate culture with a tone of ethical management for proper financial reporting and establish an audit committee that reviews financial statements. The role of ICFR is to provide investors and stakeholders with comfort over the controls supporting the reliability, accuracy, and completeness of those financial statements.

An internal review of financial statements should include authorizing journal entries, reconciling accounts to the general ledger, comparing financial statements to underlying accounting records, and evaluating reasonableness of key control activities. Organizations also need to scrutinize FP&A procedures such as trend analysis, ratio computation, and variance analysis to help ensure financial statements are accurate.

Under Canadian filing requirements for public companies, management is required to issue Form 52-109F1 and/ or 52-109F2 for certification of design and effectiveness of DC&P and ICFR on a quarterly basis. The requirement applies to organizations typically starting the second interim period after IPO for non-venture reporting issuers. On the

other hand, in accordance with US filing requirements, management assesses ICFR annually and reports the results regarding reasonable assurance of the design and operating effectiveness of ICFR in the 10-K. Each quarter, management issues Form 10-Q filings with the SEC to disclose responsibility for establishing and maintaining ICFR including changes to ICFR that may materially affect

ICFR. As required by SOX 404(a), public companies must include management’s report on ICFR in their annual report. Regardless of whether the organization is Canadian and/or US listed, the organization must disclose material weaknesses in internal control in its financial filings. Such disclosure would also include management’s plan and actions procedures to remedy material weaknesses.

Our solutions help solve the most common challenges

KPMG’s ICFR-as-a-Service helps navigate significant challenges with a suite of cloud-based managed services that enable organizations to automate risk management and find operational efficiencies, while managing costs and reducing errors.

Common challenge	KPMG’s solution
Fraud	Assists in documenting business processes and recommending controls to mitigate risks related to segregation of duties and fraud.
Inventory inaccuracy	Provides insights on inventory management based on leading practices in the industry.
Information delays	Provides project management tools to track project progress, facilitate information/document exchange and enable team collaboration on project deliverables.
Talent retention and development	Assists in assessing required skills for ICFR/SOX compliance and provide relevant education awareness sessions to the organization’s directors, officers, and employees.
Job stress	Provides technical knowledge, assistance, and updates on accounting pronouncements to help ensure the organization identifies, manages, and reports on impacts of rules and maintain compliance. Provides experienced ICFR specialists to support in-house ICFR/SOX teams with meeting project deadlines, process improvements, training, and development.
Outdated skills	Provides technical training on ICFR/SOX regulatory requirements, trends, and hot topics as well as end-user training for ICFR/SOX technology platforms.
Complex regulatory and compliance requirements	Provides insights and guidance on changing regulatory and compliance requirements specific to client industry or business landscape.
Vendor selection	Assists in vendor selection for ICFR/SOX technology-enabled platforms that best suit business needs.
Tech tool design and implementation	Performs assessments over technology design and implementation for the client to help ensure ICFR/SOX compliance.
Capital investment approval	Assists management in building the business case to obtain Audit Committee funding approval for ICFR/SOX technology tools.
Insufficient resources	Provides experienced ICFR specialists to support in-house ICFR/SOX teams with meeting project deadlines, process improvements, training, and development.
Integrating ICFR/SOX tools	Helps integrate ICFR/SOX technology solution into existing enterprise technology tools or expand capabilities of the ICFR/SOX technology tool to support enterprise risk and finance operations.
Understanding how the ICFR/SOX tool works	Provides end-user training for ICFR/SOX technology-enabled platforms.
Change management	Provides change management support, including business process design, data migration and end-user training for ICFR/SOX technology enabled platforms.

Key features & potential benefits of ICFR as a Service



Monitor control deficiencies

Map business and IT controls to flag the downstream impact of control deficiencies (e.g., GITCs on ITACs)



Centralized approach

Increase efficiency and quality of testing, review, issue remediation, and evidence collection on one central platform



Quality checks

Enable system-enforced audit quality checks (e.g., mandatory reviewer signoffs, missing assertions, open comments)



Regular maintenance

Perform scoping, bulk-upload account balances, and map risks, controls, assertions, COSO principles, etc.



Interactive dashboards for users

Keep up to date with real-time dashboards that have interactive filters summarizing testing progress, results, control deficiencies and issues



Speed and automation 24/7

Real-time, automated, status reporting and deficiency tracking deliver increased assurance and quality, faster



Transparent package pricing

Predictable fees that are no longer vulnerable to time-and-materials pricing. There are two fee packages available – a multi-year agreement with a lower first year implementation cost, or a one-year flexible agreement with a higher first year implementation cost



Deep technical experience

Decades of trusted experience built into our methodology



Documentation management

Reduces the burden on control owners with easy document upload functionality



Communication and collaboration

Between KPMG, in-house project leaders and internal auditors



Time savings

Through optimized and preconfigured workflow to reduce mobilization time and effort

Why KPMG?

A combination of technology, intelligence, and hands-on orchestration, KPMG's managed services are designed to help enhance performance, protect assets, and improve compliance, offering a tested approach to maintaining critical business functions on the leading edge.

Our risk transformation experience

With over 20 years of experience in working with GRC vendors and implementations, we have a deep understanding of ICFR/SOX, GRC, and audit solutions. We help ensure success of technology projects by providing technical support in platform design and configuration, as well as a team of technical developers to assist with setup, configuration, and customization of vendor tools. Our implementation of technology projects within time and budget limits helps organizations realize their return on investment.

- KPMG's Managed Services goes beyond back-office processing, beyond cost savings, and beyond technology to be your strategic provider in the transformation journey
- We can help you operationalize your growth ambition while minimizing disruption and risk
- Our Managed Services are tech-enabled but strategy-led
- We bring the board-level credibility, broad experience, and subject-matter knowledge that has underpinned the KPMG brand for 150 years
- We offer a combination of functional and sector knowledge, advanced technology, and superior client experience – all packaged in a subscription model with predictable costs, any-shore delivery, and strategic results
- We deliver results that matter
- We understand how your business operates

When you face all that's in front of you with KPMG beside you, aspirations become reality.

Contact us

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