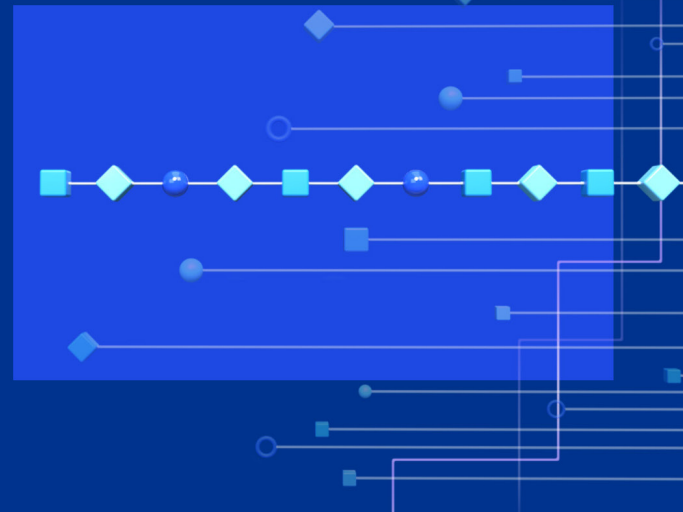




Lean in Audit

An innovative audit approach
that improves your business






Organizations expect auditors to deliver more value through the audit – to go beyond regulatory need to provide insights that identify opportunities to improve business processes.

Lean in Audit™ is KPMG's award-winning methodology that provides unprecedented insights to improve your processes through the audit.

By incorporating Lean process analysis techniques into our standard audit procedures, we engage and empower your team to see business processes through a different lens.

Lean in Audit helps organizations:

-  Deliver greater value to your customers and minimize waste
-  Streamline processes, minimize costs and improve quality and efficiency
-  Engage and empower your teams to actively participate in business improvement

Learn more about
Lean in Audit



Client success stories

Lean in Audit has helped organizations unleash the potential of their people and processes:

73%

Month-end

improvement in month-end
close process (from 11 to 3 days)

26%

Sales revenue

reduction in unnecessary
customer interaction points

60%

Payroll

improvement in 'first time right'
processing of employee records
and timesheets

95%+

Payments

of payments processed via
Electronic Funds Transfer
(previously 60%)

2,000 hours

Sales revenue

saved annually by streamlining
cash receipts process

87%

Claims

reduction in claims
handling time

Source: KPMG in Canada

What is Lean?

Lean is a continuous process improvement mindset that creates business value by eliminating waste. Originally developed for manufacturing environments, today it is used increasingly across the whole enterprise, including operations and finance.

Most processes generate waste and inefficiencies (typically up to 95%). By identifying and removing 'wasteful' activities such as wait time or effort spent on fixing errors, your employees can spend more time on running the business.

Examples of waste in finance processes



Transport

Copying information from one spreadsheet or system to another without materially changing



Motion

Switching between different software spreadsheets or searching for information on shared drives



Over processing

Just-in-case approvals or unnecessary handoffs between teams



Defects

Reclassification of journal entries to transfer entry to correct ledger



Inventory

Batch processing of transactions or unread emails waiting to be actioned



Waiting

Waiting for the ledger to close before completing month end processes



Over production

Time spent creating detailed presentations and reports which are not used

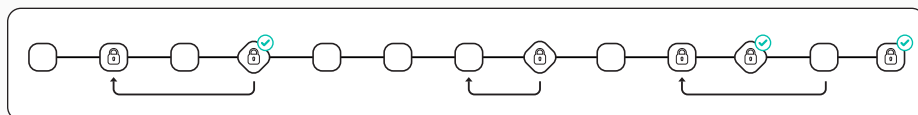


Skills

Highly-trained staff spending time copy and pasting data or chasing for information

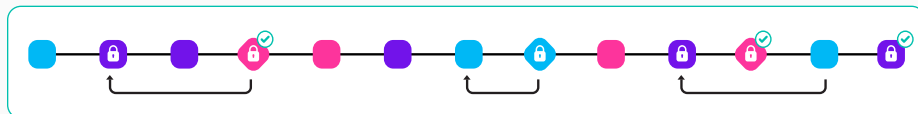
Typical audit

Auditors look at processes through a risk and compliance lens without focusing on broader operational improvements



Lean in Audit

Applying a Lean lens to audit process walkthroughs empowers your team to identify waste and improvement opportunities



Value: what customers want (maximize)

Necessary Non-Value: required activities (minimize)

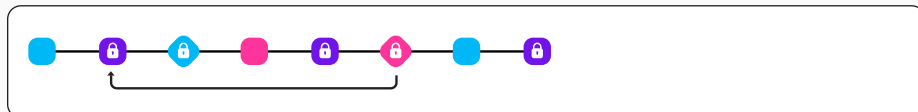
Waste: non-essential activities (remove)

 **Process controls**

 **Key controls tested**

Better business performance

Lean in Audit helps organizations increase productivity, streamline processes and improve customer experience



Contact



Channen Tan
Partner

channentan@kpmg.ca
416-777-3922



Juzar Saifuddin
Senior Manager

jsaifuddin@kpmg.ca
416-549-7902