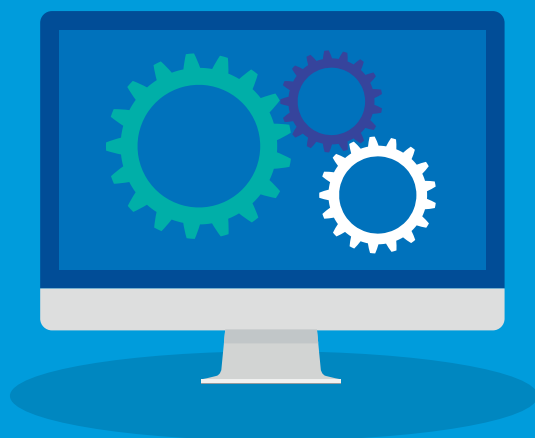




# Dynamic Audit

**Powered by technology,  
our experts are unlocking  
the value of your audit**



# Audit is evolving

**The world is changing.  
By harnessing the power of  
data, companies are seizing  
opportunities to identify business  
trends and predict outcomes.**

We're changing too. We employ innovative data analytics and technology to analyse greater quantities of data, dig deeper and deliver a high quality audit.

**We call it Dynamic Audit.**

# What does Dynamic Audit mean for you?



+



+



=



## Robust opinion

Combining business understanding and industry expertise with detailed data analysis to inform our judgements and provide you with better independent challenge.

## Actionable insight

Using technology to analyse processes and populations to identify outliers and inconsistencies and suggest areas for meaningful improvements.

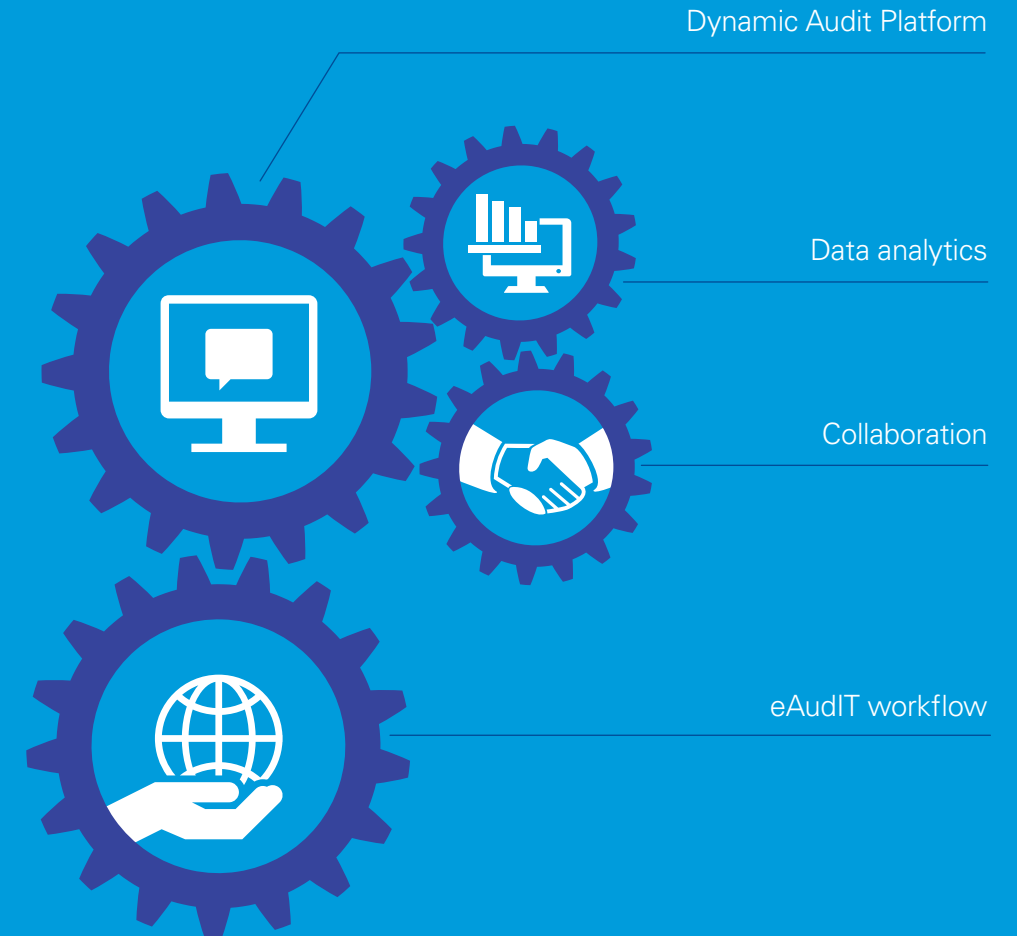
## Seamless execution

Delivering a bespoke audit for your business, we collaborate with you to plan our audit and share information more effectively, providing timely insight into emerging audit issues.

## Value

Stakeholder trust  
Deeper understanding  
A richer perspective

# How do we deliver Dynamic Audit?



# Our Dynamic Audit Platform: Delivering your audit

Powered by our people, our Dynamic Audit Platform combines our data analytics capability, giving best in class understanding of your business, with real-time collaboration, providing you with full visibility throughout the audit cycle.

## Data Analytics

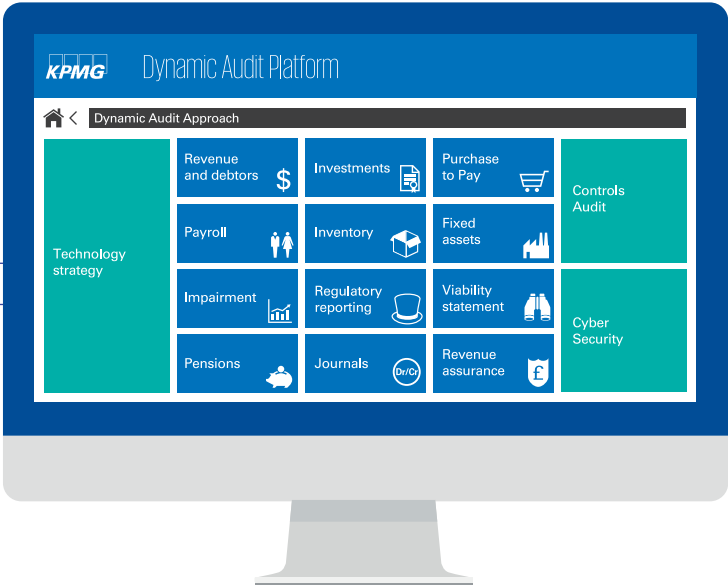
Cutting edge data analytics solutions tailored to your business

Historical: business process analytics

Forward looking: predictive analytics

### Features

### Benefits



Real-time access to data analytics output

Drill-down functionality allowing deeper analysis of key issues

Dynamic visualisation of results

## Collaboration

Issues tracking to resolution

Milestone tracking

Thought leadership library

### Features

### Benefits



Real-time visibility of status findings at every stage of the audit cycle

Facilitates enhanced communication

All audit outputs in one place



“It’s an exciting time for audit at KPMG. Applying the latest innovations in data analytics technology, our Dynamic Audit is delivering real value to clients; providing actionable intelligence, greater insight for audit committees and investors, and helping audits become more relevant and forward-looking.”

**Tony Cates**

Senior Audit Partner,  
KPMG in the UK

# Up close: Business process data analytics

## Procure-to-pay process

We tell you more. Applying process data analytics to your financial data as part of the audit, we identify and quantify exceptions in the whole population of recorded transactions. For example, with procure-to-pay we extract 100% of the data population, focus on exceptions and quantify the impact of control failures. Our interactive dashboard reporting provides you with greater insight, revealing the 'big picture' as well as transactional detail. We offer practical recommendations to help improve your end-to-end processes.

Procure-to-pay process analysis, using data from multiple systems, provides a view on processes and controls around purchase orders, goods receipt, invoices, payments, supplier master data and segregation of duties

Supplier master data analysis highlights purchase transactions with non-standard terms

Direct invoice identification analysis detects invoices without a purchase order

We can look at every operation of an automated control, identifying not only who can override a control, but everyone who did and what the impact was



Manually approved invoice detection identifies blocked and manually approved invoices – indicating '3 way match' control bypass activity and overuse of manual approvals

## End-to-end process analytics

We use your transactional data to analyse processes, develop a deep understanding of what took place, re-perform procedures typically covered by reconciliation controls and help conclude over audit risks.

## Solutions that add value to the audit

### You care

- Our analysis of data flows enables us to identify where key controls are complied with or bypassed, and report this to you
- Quantification of the monetary value of control failures and root cause analysis
- Recommendations, identified as part of the audit, to improve your processes and apply policies more consistently

### We care

- Deeper understanding of your processes and controls
- Identification of control gaps and unmitigated risks
- Analysis of 100% of the population: no sampling or extrapolation of findings

# Up close: Predictive data analytics

## Asset impairment

We show you more. Using predictive data analytics, we visualise the impact of various scenarios on your projections. For intangible assets we re-model cash flows with our asset impairment solution, jointly developed with McLaren Applied Technologies. It uses advanced modelling techniques to analyse the forecasts supporting the value of intangible assets under your scenarios, as well as ours, providing an independent view. Our interactive dashboard provides us with greater insight, allowing variables to be adjusted and outcomes visualised instantaneously. Predictive analytics gives you an independent view, allowing us to challenge your assumptions and conclusions as part of the audit.

Analysis of forecasts used to support the value of intangible assets and goodwill

Interactive visualisation, facilitating a rich debate around key “what if...?” questions and challenges

Industry benchmarking incorporating macroeconomic and market data to provide a better independent view of forecasts

Enhanced view of historical accuracy of previous forecasting



Pre-set scenarios and “goal-seek” functionality, allowing an understanding of the inputs that would result in certain outcomes

Enhanced sensitivity analysis for multiple assumptions

## Predictive analytics

We re-model and visualise your cash flow data to challenge the assumptions that you have applied, allowing us to conclude on complex audit issues using past, present and future data.

## Solutions that add value to the audit

### You care

- Independent challenge on significant judgements
- Industry benchmarking and deeper insight on your own assumptions applied
- Real-time visualisation of assumptions allows us to give you a deeper perspective

### We care

- Robust interrogation of multiple variables simultaneously through sensitivity analysis
- Incorporation of external data sources to add challenge
- Easily scalable audit procedures, which can be adjusted to reflect industry experience



“We will work together with your people and systems to deliver a bespoke Dynamic Audit covering your unique areas of risk and judgement. Applying the right data analytics solution at the right time, we focus on areas that matter to deliver a robust audit and actionable insights, all brought to you in real-time through our Dynamic Audit Platform.”

Nick Frost

Audit Technology Lead Partner,  
KPMG in the UK





# Ensuring the quality of your Dynamic Audit

eAudit, our global workflow management system, allows every audit professional around the world to deliver a seamless audit across multiple locations – providing confidence in the outcome of your Dynamic Audit.

## Compliant

Full compliance with all relevant auditing standards

## Consistent

Efficient and consistent audit approach across global locations

## Secure

Secure storage of all documentation supporting our judgements

## Real-time

Real-time visibility of progress and emerging risks, allowing timely resolution of issues

## Insightful

Industry knowledge embedded in the workflow, sharing the latest technical best practice with our teams

## Connected

Two-way communication between your audit team at group level and those in the markets





**Robust opinion**

+



**Actionable insight**

+



**Seamless execution**

=



**Value**



Powered by technology,  
our experts are unlocking  
the value of your audit.

**We call it Dynamic Audit.**

[kpmg.com/uk/audit](https://kpmg.com/uk/audit)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2016 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International. CREATE | CRT065281 | July 2016