



Digital-first finance transformation

KPMG | Finance for Government and Public Sector

2025



The upcoming spending review and pressure on public finances present an immediate need to drive decision making and address challenges using finance automation and digital solutions. The Government Finance Function (GFF) strategy will set out a vision to 2030 that will require the finance function to use technology effectively to drive productivity and deliver better outputs and outcomes for users.

Many Government and public sector finance organisations have started transformation efforts already, but with stretched teams and budget constraints, transformation can take years. KPMG's digitally-enabled finance transformation approach offers a tried and tested way forward.

A different vantage point on finance in government and wider public sector

Learning lessons from our experience in the public and private sector, we believe finance leaders should consider some critical questions, including:

- How should our finance function change to increase organisational agility?
- How do I provide the insight to make more informed spending decisions?
- How can the finance function get more value from data and provide higher value to the wider organisation?
- How can I help my people embrace change?

Finance has a real opportunity to leverage technology and data

By leveraging technology and data, finance can answer the questions above and redefine itself as a genuine business partner focusing on the value streams that deliver strategic insight. For example:



High levels of automation and AI: remove human processing from operations to improve efficiency and accuracy



Data-driven decision making: harvesting and combining valuable data sets to deliver insight and analytics



Driving operational efficiencies: using data and analytics to identify process bottlenecks and redundant processes



Optimise the workforce: using data to help forecast demand leads to better decisions about talent management and employee engagement



Realtime monitoring of critical reporting areas such as fraud detection, compliance, finance, and risk management

The KPMG finance transformation offer

We offer an outcome-driven and technology-enabled finance transformation solution tailored specifically for government and the wider public sector that is designed to help you transform critical finance functions with lower risk, faster speed to value, and a human-centric experience.

By starting with a target operating model, we help deliver finance process efficiency through automation and help you exploit tools such as predictive analytics and cognitive learning, to add value and deliver better insights, while mitigating risk.

Imagine your future finance function

Finance must use technology to automate and streamline standardised processes, and use human capacity to drive value and benefits such as:

2-3x

more time for analytics and decision support.

70%+

automation of processes and reporting.

60%+

more accurate forecasts.

5x

faster financial close and planning cycles.

Source: KPMG 2022 Elevating Finance Survey

Transform your finance function with confidence

Our approach is designed to offer a timely and efficient start to your finance transformation by helping you envision the future of your organisation and implement the art of the possible: a combination of leading practices and processes, tested technology solutions, a next-generation delivery framework, and active, practical support for future upgrades and continuing evolution.

Taking the assets within the Finance area we have addressed the specific needs of Government and public sector finance departments.

The KPMG Target Operating Model

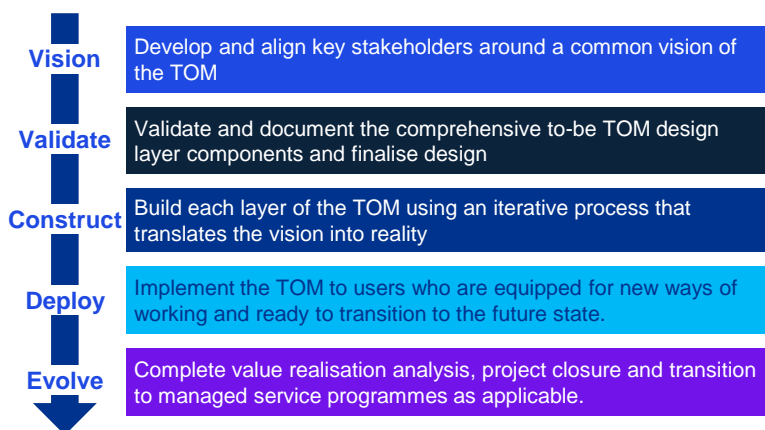
The KPMG Target Operating Model (TOM) for finance in government and public sector contains dozens of process taxonomies, process flows and leading practices across the finance function.

It also has additional platform specific application architectures, data flows and integration to accelerate your transformation.

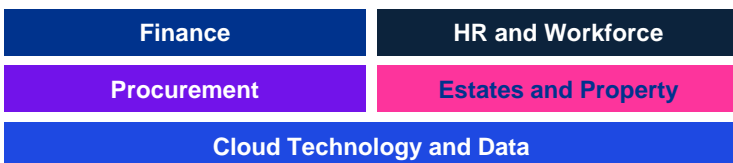


The KPMG Approach

Our approach to finance transformation focuses on delivering business outcomes for you, combining all six layers of the Finance Target Operating Model, and supporting you no matter where you are in your transformation journey.



Our integrated assets, accelerators and five step approach also cover your corporate service functions beyond finance.



By working with KPMG, you can:

- **Transform** the way you run your finance function
- Build an **agile finance function** that evolves as you grow
- Help your people to **adopt and embrace change**
- **Exploit new technologies** for value and performance
- **Drive future success** with the latest leading practices
- **Optimise service delivery** and use of data for better decisions and outcomes
- **Gain access to a library of:**
 - 400+ KPIs
 - 1000+ Risk Measures
 - 1100+ Controls

All pre-configured and aligned to leading platforms including Microsoft, Oracle, SAP, ServiceNow and Workday

Recent KPMG examples

We have helped clients transform at all levels of government, from central programmes to ALBs.

- **Functional Convergence:** providing support for wider business transformation and helping the finance team to embrace change by exploiting best practice that offers more agility and resilience for the future.
- **Shared Services Clusters:** supporting the Synergy cluster to define shared service operating models and implementation plans.
- **Defra:** supporting corporate services on its transformation journey and delivering programme management and governance expertise in preparation for Synergy go-live.
- **Innovate UK:** optimising Workday post-implementation to increase efficiency and benefits for the end-user.

Contact us:



Melanie Knight

Partner, Infrastructure,
Government and Healthcare
E: melanie.knight@kpmg.co.uk



Mark Lyseight

Director, Infrastructure,
Government and Healthcare
E: mark.lyseight@kpmg.co.uk



Chib Umerah

Senior Manager, Infrastructure,
Government and Healthcare
E: chibuzor.umerah@kpmg.co.uk

kpmg.com/uk



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