



Bonding together the organizational molecules

KPMG Client Story

“What I particularly like about KPMG is the quality of the Advisory folks. They always bring the right subject matter professionals and specialists and effectively leverage offshore resources with data analytics as the bright spot.”

—Former CAE and currently
CAO/Corporate Controller

About our client

Our client is an environmentally responsible global chemical manufacturing company providing industrial solutions in various industries. The company employs thousands of team members at more than 30 manufacturing and laboratory sites and R&D facilities worldwide.

Project at a glance

The chemical company engaged KPMG to complete a modernization of its internal audit functions and risk-management processes. Using industry-leading practices, KPMG assisted the client in gathering key business insights allowing for more robust internal reporting. This new data allowed our client to expand business growth and sharpen strategic focus by deploying a new assurance approach, improved methodologies, and leading technologies.

Challenges

Facing an ever-increasing landscape of global competition, this chemical manufacturing company required a greater level of operational agility to kindle growth as a newly spun-out corporation. With projects supported by subject matter professionals (SMPs), our client knew that to keep producing results they needed greater analytical capabilities to improve decision-making processes and operational performance. The foundation of the improvement of their organizational elasticity began with their internal audit and risk-management assessment—both of which were in need of an upgrade. Knowing that innovation was key, company leadership sought out KPMG to provide the desired resources for enhancing the internal controls environment, kick-start strategic initiatives, strengthen information security, and streamline operational process improvements.

Key KPMG initiatives

At the beginning of this engagement, KPMG assigned an experienced former Audit executive to lead a dedicated team of discipline-specific SMPs from across our various Advisory and Tax practices to support our client’s chief audit executive (CAE) in the establishment of a new Assurance Services Group (ASG). This required a comprehensive, interdisciplinary team approach to modernize the organization’s internal audit (IA) and compliance operations.

KPMG worked with the CAE to establish business-relevant annual audit plans and deploy a data-driven approach to operational reviews.

To further enhance the IA and risk-management practices, KPMG supported a new global Sarbanes-Oxley (SOX) program tool with leading governance and audit management system capabilities called AuditBoard. The system was leveraged from the client's initial SOXHub platform used by our offshore KPMG Global Services Center of Excellence to improve SOX 404 controls testing efficiency.

Additionally, KPMG helped establish and accelerate a data and analytics capability within IA utilizing a data-driven approach to operational process reviews by the ASG. This capability highlights the use of performance measures, profiling, and dashboards, as well as scorecards for areas ranging from payroll to corporate culture, to enterprise asset management for plant maintenance and plant cost accounting, to corporate responsibility.

Business impact

As was its mission, the new ASG has emerged as a strategic enterprise-wide resource by integrating with other assurance groups and leveraging innovation across the enterprise. This mission is supported by uncovering key insights that enhance the impact of short-, mid-, and long-term decisions. It has been credited with improving various areas, including corporate responsibility initiatives in the environmental, social, and governance sectors; information technology and data security; and e-commerce operations. The ASG also engages with second-line enterprise monitoring and oversight groups, such as compliance and cyber transformation.

Today, the ASG offers a growing range of internal services, including preassurance readiness reviews that are designed to proactively review risk areas earlier in their evolution whether they are a project in its infancy, an emerging risk, a new technology that needs integration, or a narrowly defined problem area.

By instituting updated technologies, industry-leading practices, and utilizing the offshore resources, KPMG helped position the ASG as an indispensable resource that enables our client to uncover critical interdependencies that must be addressed to

Why KPMG?

Expand audit and control function capabilities beyond compliance.

KPMG provides an experienced point of view on the IA process and how it guides internal change signals, governance, business practices, and operational soundness. IA experience should not only ensure compliance, but also offer proactive insight regarding reasonable solutions for development of new and existing processes and operations.

Address risk by integrating innovative technologies with evolving business practices.

KPMG leverages advanced technologies and systems—including analytics, data visualization, and security—to help ensure audit and control teams have the tools to exceed compliance and operational risk-management requirements and address them at the accelerating speed of business.

Leverage risk-management insights during process design, development, and deployment.

After-the-fact audit reviews are of increasingly limited utility. KPMG teaches IA and compliance teams the skills to greatly enhance the performance—and risk profile—of new and existing operations from the beginning to the end of the design process.

help optimize the effectiveness of strategic and operational leadership teams in a risk-adjusted manner, as well as:

- Modernized enterprise-wide risk-management processes
- Overall control environment, including an improved SOX program, with insight into total cost of controls
- Enhanced strategy decision-making capabilities
- Systems and operations integration
- Detailed governance and compliance impact analysis
- Ongoing management support through the constantly evolving ASG capabilities.

Advanced analytics and data visualization have enabled the client to become a more effective data-driven organization that is able to make rapid, impactful decisions in projected high-yield areas in response to constantly changing market dynamics in a risk-adjusted manner.

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

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Let's start a conversation.

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