



Bringing better business systems aboard

Client story



Client
Federal Government Agency

Sector
Federal government: Defense

Project
Finance systems transformation



Client challenge

This government agency has protected millions of Americans for over 200 years. To continue its critical role in national security, it needed to meet the requirements of a new government mandate, becoming auditable and accountable. Rather than work toward a quick fix for audit, however, the agency embarked on a financial and organizational transformation—one that could prove sustainable and accountable over time and cover four areas: people, processes, data and systems. Its existing financial systems were not only outdated and inaccurate, they were disparate, spanning 98 different data systems. These inefficiencies made it difficult to make the best strategic decisions. To meet its new responsibilities and enact organizational change, the government agency would have to evolve—it would have to operate like a business.



Benefits to client

The agency should be able to improve financial transparency and spending decisions, and transition from a reactive “business” to a proactive one. On a path to robust, sustainable development it can:

- Save tens of millions of dollars in electronic commerce billings through data analytics and root cause analysis
- Properly account for property that totals almost 50 percent of the total defense portfolio, including weapon systems and long-term construction projects. It can now accurately assess the readiness of each asset to support the mission
- Provide a robust document management platform that offers embedded support and a rapid response to any arising issues, including incomplete system and process documentation and difficult-to-locate source information
- Streamline data from each of its systems into one visualized data warehouse for a big-picture view of each element of the organization
- Employ tighter financial controls with a clearer overview of budgetary activity by field activity.



KPMG response

Making a sea change in financial processes

Dating back to the birth of the United States, this government agency has relied on its strength and intelligence to protect millions of Americans. But like many government organizations, it found that with the rise of technology there were other ways it needed to safeguard the nation. To do so, it needed to transform the way its legacy finance systems functioned to gain greater insight into its spending patterns and make more strategic decisions.

KPMG is working side by side with the agency, pulling data from its 98 systems to drive more comprehensive reporting and encourage better business decisions based on new overviews. By considering decisions from a wide angle, the agency will be able to identify previously unknown challenges involving audit requirements and compliance, and improve operations around internal controls and data flow and extraction.

During phase one of the project, four areas for improvement were identified and evaluated: systems, processes, people and data. Initially, the project was about streamlining processes and messaging through communication pieces. Later, it became about looking at data and testing systems to understand where things were broken and why they weren't communicating with each other.

Currently, the project is growing and evolving to cover everything from quality reviews to assessment work and accounting support. With every step, a closer and more meaningful relationship emerges. With the launch of the project's second phase, change is arriving in the front office of the organization where the strategy promises to touch the agency's work several years ahead of the audit ready deadline. With a trusted advisor in KPMG, working shoulder to shoulder with our clients, the agency can continuously monitor and develop its systems for a proactive approach to ongoing regulatory and technological change.



KPMG insights

More than audit ready, business ready

This government agency was ready to take on the task of becoming audit ready, but the project evolved into so much more. By looking at issues in all areas, auditability becomes a byproduct of a transparent, successful business.

Move from reactive to proactive

By working with a team that is well-versed in the nuances of both audit and government, this agency can better identify how to get current and stay current with changing regulations in order to proactively plan for the future.

If you are interested in learning more about this client story, or if you are experiencing similar issues, please contact us.

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