



cutting through complexity

Ministry of Business, Innovation and Employment

# All-of-Government Consultancy Services

5 February 2015

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**FUELLING  PROSPERITY**

# EXECUTIVE SUMMARY

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**KPMG people focus every day on fuelling New Zealand's prosperity. We believe the work we do with businesses, the public sector and our communities can make a real difference to the health, wealth and well-being of New Zealanders. Our work with the public sector recognises the critical importance of being part of building the effectiveness of government's role in that prosperity.**

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KPMG is a leading professional services firm, specialising in Audit, Tax and Advisory services. We have over 950 professionals who work with a wide range of New Zealand enterprises – from privately owned businesses, to publicly listed companies, government organisations, and not-for-profit bodies. We have offices in Auckland, Wellington, Christchurch, Hamilton, Tauranga and Timaru.

KPMG New Zealand is part of a global network. We operate in 155 countries and have more than 162,000 people working in member firms around the world. The independent member firms of the KPMG network are affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG understands the unique nature of the public sector and the challenges it faces, especially around delivering better public services within tight financial constraints. We have been working closely with agencies across the public sector spectrum for over 25 years, providing advice and assurance to solve problems and deliver results. Our clients include public services entities, state services and state sector organisations, and organisations operating in the wider public sector.

## **What we do**

KPMG's government practice includes more than 100 partners and professionals who possess the knowledge, insight and awareness of public sector accountability frameworks, pertinent legislation and regulatory implications needed to address the special needs of the public sector.

KPMG's professionals provide a broad array of services to help government agencies establish sustainable improvements to performance, operations and quality of service.

As a firm we offer a breadth and depth of capability that enables us to be responsive, and to innovate across the public sector.

Our global networks enable us to access leading practices in overseas jurisdictions across all aspects of government including health, justice, education, social services and local authorities.

## **KPMG services**

KPMG offers services to help government organisations improve productivity and the quality of services they provide; help generate increased value for money; and assist with performance-related issues and challenges, to improve outcomes for all New Zealanders.

**KPMG has the capability and experience to deliver high quality consultancy services in all of the Tranche 1 Sub Categories and focus areas, comprising Accounting, Assurance, Audit, Finance and Economics, Taxation, and Procurement and Logistics.**

**WE'RE COMMITTED TO BUILDING A BETTER PUBLIC SECTOR FOR THE BENEFIT OF ALL NEW ZEALANDERS. KPMG HAS AN IMPORTANT ROLE TO PLAY IN IMPROVING OUTCOMES, REALISING EFFICIENCIES AND ENHANCING TRUST AND CONFIDENCE IN THE PUBLIC SECTOR.**

**Souella Cumming**  
Head of Government Services  
KPMG Partner



# ACCOUNTING

## › Accounting (Technical and Transaction) Advisory Services

## › Business Accounting Services (Bookkeeping, Payroll etc.)

## › Financial Reporting, Compliance and Accounts Preparation

We are a specialised team that provides top level accounting compliance and advisory services to a client base of public, private and not-for-profit organisations. Whether our clients are grappling with the intricacies of the New Zealand financial reporting framework, require a top quality book-keeper for a period of time, or an urgent set of accounts, we have the expertise, capacity and ability to seamlessly integrate ourselves into our clients' accounting function.

Two of our key drivers are to provide our clients with:

1. The very best accounting team with excellent relevant skills.
2. Senior people with the experience to deliver fresh thinking, who have a demonstrated understanding of the public sector and who can play a constructive role in helping agencies achieve their key strategies.

We seek to understand specific requirements and to add value at all stages of our engagement. We also know that, when it comes to accounting service providers, a low profile can be a very good thing.

For example, when a business accounting service engagement is done well, those valuable people working in the agency are liberated from their day-to-day low value tasks and become much more focused on delivering organisational strategic goals. We understand and encourage this approach, it is all about providing our clients with value for money.

### KPMG SEES THE FIRM'S STRENGTHS IN THE ACCOUNTING SUBCATEGORY AS BEING:

- **Helping our clients to dream big** – we view ourselves as our clients' business partners, and by working on particular issues we can unlock the potential of businesses to assist them with growth.
- **Financial reporting** – the basis of success is information, and KPMG's real-time financial reporting helps ensure our clients are constantly looking forward, not backward.
- **Managing compliance** – with KPMG taking care of compliance issues, we free up our clients to make the big decisions.
- **Levers for growth** – KPMG's specialist Private Enterprise partners and managers have decades of experience in dealing with New Zealand businesses, and added value accounting is a powerful lever for growth. We aim to deliver systems and processes that will lead to better decision-making. It could mean capital raising, restructuring debt, succession planning, cash-flow management or developing rigorous governance structures so that businesses have the oversight they need.
- **Specialist teams** – KPMG's Private Enterprise team is backed by some of the best specialist accounting brains this country has to offer, not to mention a vast network of international offices scattered across the globe. We can help with the tax implications of a specific transaction. We can tackle problems as they arise through our audit and forensic accounting teams. We help businesses expand overseas, and put them in touch with people to help. Whatever it is, we have the high-level strategic nous and connections that businesses need to grow.



**BY CREATING  
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NEW ZEALANDERS.**

**Angela Abernethy**  
Private Enterprise  
KPMG Partner

# ASSURANCE

› **Quality Assurance and Advice (including Independent Quality Assurance and Quantitative Risk Analysis)**

KPMG’s Assurance professionals provide a broad array of services to help government agencies establish sustainable improvements to performance, operations and quality of service. These include programme or project assurance, including point-in-time independent quality assurance (IQA); ongoing IQA, across the programme/project lifecycle; and project maturity and delivery assurance. We also provide risk management and advice on infrastructure, technology and security assurance services.

**REASONS TO CHOOSE KPMG TO DELIVER ASSURANCE CONSULTING SERVICES TO NZ GOVERNMENT INCLUDE:**

**Substantial New Zealand Government sector experience**

KPMG understands the unique nature of the public sector and the challenges it faces, especially around delivering better public services within tight financial constraints. We work closely with agencies across the public sector spectrum providing advice and assurance to solve problems and deliver results. Our government practice includes more than 100 partners and professionals who possess the knowledge, insight and awareness of pertinent legislation and

regulatory implications needed to address the special needs of the public sector.

KPMG has been providing quality assurance and advisory services to our public sector clients for over ten years and maintained a position on most of the Ministries’ and Departments’ preferred provider panels for quality assurance. We have enjoyed positive working relationships and consistently delivered quality outcomes. We believe that we are strongly positioned as a leader in the industry to continue providing a broad range of advisory and assurance services to the public sector.

**A commitment to quality**

KPMG’s vision is to be the best firm to work with; for our clients, our people and our communities. We strive to provide our clients with a quality of service that exceeds expectations, and deliver that service in an efficient and timely manner.

**Big picture thinking, with attention to detail**

KPMG’s focus is to combine current compliance and assurance requirements, with our clients’ future strategic objectives. Our dedication to understanding our clients’ businesses allows us to combine

accurate and timely project and programme assurance with future strategic and operational objectives.

**Strong relationships**

KPMG has a strong relationship with the Central Agencies who define the requirements for Public Sector assurance consulting. We meet regularly to ensure that we understand their current focus for assurance activities and review any feedback from them on our client delivery to ensure we stay at the top of our game. This enables us to achieve the best possible outcome and ensures that any Central Agency interaction runs smoothly and with minimal disruption.

**First-rate support and assistance**

KPMG is committed to providing ongoing support and assistance to our clients. Regular communication enables our team to quickly provide clarification, advice, and anticipate future issues or opportunities before issues arise. Our work is supported by international best practice methods, tools and thought leadership. This reduces the risk of programme or project failure and ensures significant initiatives can proceed on a more timely and efficient basis.



**KPMG IS HELPING  
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**Jack Carroll**  
Advisory  
KPMG Partner

# AUDIT

- › **Compliance and Regulatory Audit**
- › **Financial Statement Audit**
- › **Forensic Accountancy Investigations**
- › **Fraud Audit**
- › **Internal Audit, Investigations, and Advisory Services**
- › **IT Systems Audit**
- › **Probity Audit**
- › **Special Purpose Audits and Review Engagements**

Enhancing public trust and confidence is the cornerstone of the services KPMG offers under the 'Audit' subcategory. We help clients provide confidence to various stakeholders, including Ministers and the public of New Zealand, through robust audit processes. These range from probity over major procurement spend to internal audit of systems, and departmental processes and outcomes.

**KPMG'S STRENGTHS IN PROVIDING AUDIT CONSULTING SERVICES INCLUDE:**

**Significant experience in the public sector**

KPMG understands the unique nature of the public sector and the challenges it faces, especially around delivering better public services within tight financial constraints. We work closely with agencies across the public sector spectrum, providing audit services to solve problems and deliver results.

KPMG has been providing quality audit services to our public sector clients for over 20 years. We have strong relationships across the public sector and have provided the broad range of offerings to many government agencies.

KPMG has enjoyed and maintained enduring positive working relationships and delivered quality outcomes during this time. We believe that we are strongly positioned as a leader in the sub-category to continue providing a broad range of audit services to the public sector.

**Local team with global connections**

Our government practice includes more than 100 partners and professionals who possess the knowledge, insight and awareness of pertinent legislation and regulatory implications needed to address the special needs of the public sector. In addition, to ensure the public sector has access to KPMG's overseas specialists there are regularly involved in some of our engagements.

**Commitment to quality service**

KPMG's vision is to be the best firm to work with; for our clients, our people and our communities. We strive to provide our clients with a quality of service that exceeds expectations, and deliver that service in an efficient and timely manner. Our robust internal quality assurance processes ensure high levels of confidence in the results of our audit work.

**Strategic view**

KPMG's focus is to combine current compliance and assurance requirements, with our clients' future strategic objectives. Our dedication to understanding our clients' businesses allows us to combine accurate and timely assurance with future strategic and operational objectives, to achieve public sector outcomes.

**Proactive and responsive**

KPMG is committed to providing ongoing support and assistance to our clients. Regular communication enables our team to quickly provide clarification, advice, and anticipate future issues or opportunities before issues arise. We have the ability to respond quickly to client issues and have undertaken a number of high profile engagements that go to the heart of public trust and confidence.





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**Souella Cumming**  
Head of Government Services  
KPMG Partner

# FINANCE & ECONOMICS

- › **Appraisal of Investment Proposals**
- › **Economic Analysis and Modelling**
- › **Financial Strategy (Including Asset Sales)**
- › **Investment and Banking Services (including Treasury Management and Treasury Risk Management)**
- › **Project financial management (including Budgeting, Estimating, Forecasting, and Modelling)**
- › **Private Public Partnerships (including Business Case and Strategy)**
- › **Systems and Solutions (including Enterprise Resource Planning and Financial Management Information Systems)**

We offer world-class capability, vast experience and proven expertise in providing Finance and Economics advisory services to public sector clients.

KPMG has invested in building a market-leading financial advisory capability focused on the public sector. We have built a purpose driven team that sees our role as enabling the public sector to make better financial/commercial decisions. We have a reputation for working on the most novel, complex and unique engagements, particularly those at the cutting edge of government reform and change.

**KPMG'S STRENGTHS IN PROVIDING FINANCIAL/ECONOMIC ADVISORY SERVICES INCLUDE:**

**Appraisal of investment proposals** – KPMG provides investment proposal appraisal services to the public and private sectors.

**Economic Analysis and Modelling** – KPMG undertakes many engagements with economic analysis elements – such as cost benefit analysis within Better Business Cases. For larger economic modelling engagements we consider partnering with either our Australian KPMG colleagues or a local specialist economic advisor.

**Financial strategy** – KPMG's Deal Advisory team advises both the public and private sectors on a wide range of financial strategy engagements. We have dedicated public sector specialists embedded within our Deal Advisory business to ensure that the political/policy context is interwoven with the financial/commercial skill set required.

**Investment and Banking Services** – KPMG works with a broad range of public and private organisations to develop robust financial risk management frameworks that satisfy compliance demands, contribute to better decision-making and enhance performance.

**Project Financial Management** – KPMG's Financial and Business Modelling practice provides a wide range of modelling support to the public and private sectors.

**Public Private Partnerships (PPPs)** – KPMG's Infrastructure team provides financial/commercial/bid strategy advice related to PPPs to both the Crown and bidding consortia. As the firm that advised government on the first NZ PPP to reach financial close, we have a pre-eminent position in the public sector.

**Systems and Solutions** – KPMG has the capability to deliver across the full lifecycle (assess, design, implement, support and operate) for most financial systems and solutions, and has worked with a range of public sector entities to enhance IT capability.



**KPMG IS  
DRIVING CHANGE.  
OUR ROLE IS TO BE  
INNOVATIVE; TO  
HELP GOVERNMENT  
ORGANISATIONS  
WITH WHAT THEY  
DO AND HOW  
THEY DO IT;  
AND TO BRING  
SKILLS, EXPERIENCE  
AND ADVICE THAT  
GOVERNMENT  
DOESN'T HAVE  
IN-HOUSE.**

**Adrian Wimmers**  
Advisory  
KPMG Partner

# TAXATION

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› Tax Compliance and Preparation

› Tax Planning and Advisory

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KPMG is one of New Zealand's most experienced professional services firms – our team has many years' combined experience providing Taxation consultancy services to clients in both the public and private sectors.

**KPMG'S STRENGTHS IN PROVIDING TAX CONSULTING AND COMPLIANCE SERVICES INCLUDE:**

**Significant experience in the public sector** – KPMG has significant experience in working with public sector entities to ensure compliance with relevant tax legislation. We also provide value-added expertise through our PAYE, FBT and GST services, across a broad range of:

- Public Service and State Service organisations.
- State Owned Enterprises.
- Local Government entities.

**Commitment to quality service** –

KPMG's vision is to be the best firm to work with; for our clients, our people and our communities. We strive to provide our clients with a quality of service that exceeds expectations, and deliver that service in an efficient and timely manner.

**Big picture thinking, with attention to detail** –

KPMG's focus is to combine current compliance with our clients' future strategic objectives. Our dedication to understanding our clients' businesses allows us to combine accurate and timely tax compliance with future strategic and operational objectives.

**Strong relationships with officials** –

KPMG has a strong relationship with Inland Revenue. This supports effective negotiations with Inland Revenue to achieve the best possible outcome for our clients, and ensures that any Inland Revenue interaction runs smoothly and with minimal disruption.

**First-rate support and assistance** –

KPMG is committed to providing ongoing support and assistance to our clients. Regular communication with our clients enables our team to quickly provide clarification, advice, and anticipate future issues or opportunities before issues arise. This reduces the risk of tax non-compliance and ensures significant transactions or initiatives can proceed on a more timely and efficient basis.



**WE'RE  
WORKING WITH  
OUR CLIENTS  
IN THE PUBLIC  
SECTOR  
TO VIEW  
POTENTIAL  
TAX ISSUES  
FROM ALL  
ANGLES AND  
TO HELP SHAPE  
THE FUTURE OF  
NEW ZEALAND.**

**Tony Joyce**  
Tax  
KPMG Partner

# PROCUREMENT & LOGISTICS

- › **Policy, Strategy, and Design**
- › **Sourcing (excluding Public Private Partnerships)**
- › **Spend Analysis**
- › **Supply Chain (including Logistics, Strategy, Policy, and Inventory Management)**

KPMG provides clients with a range of procurement and logistics consulting services, and our public sector offerings focus on supporting agencies to develop procurement strategy and use this to optimise:

- People management – including capability building in skills and supply.
- Target Operating Model – including policy, strategy and design.
- Cost Optimisation – based on spend analysis and supply chain optimisation.

**SOME KEY REASONS TO CHOOSE KPMG TO DELIVER CONSULTANCY SERVICES PROCUREMENT AND LOGISTICS SUBCATEGORY INCLUDE:**

**Detailed understanding of the New Zealand public sector and MBIE**

In New Zealand, KPMG has a significant understanding of the Government Procurement Reform Programme. As part of the BASS (Benchmarking Administrative and Support Services Programme) programme, we worked closely with the Ministry of Economic

Development (MED – now MBIE) to baseline and benchmark the cost and quality of all corporate functions, including the procurement function. We also worked with MED to identify opportunities for strengthening the quality and capability. This work informed the delivery of the Government Procurement Reform Programme.

**Strong global public sector procurement capability to draw upon**

KPMG has both the domestic and international expertise and experience to help the New Zealand public sector maximise value for money through the procurement function, by tailoring what we know from the international setting to New Zealand’s unique circumstances.

- In New Zealand, we led a large IT Outsource Governance project for a prominent public sector financial organisation; led a major IT Supply Strategy programme for a leading Government client; and guided a large New Zealand-based private sector client through a Lean Transformation programme.

- In the UK, we have long-standing relationships with the Office of Government Commerce and the Scottish Executive to deliver the National Procurement Reform Programme. We have led reviews of collaborative procurement across the public sector on behalf of HM Treasury.
- In the US, we have performed extensive work with the Defense Department and State Departments to transform procurement policies and processes.
- In Canada, we have led procurement transformation programmes for the Ontario Ministry of Government Services.
- In Australia, we have delivered multiple procurement projects across state governments and are delivering a major procurement transformation project at the Department of Defence.



**FUELLING  
PROSPERITY**

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