



Strengthening third party partnerships while protecting the business

KPMG Contract Compliance Services



Performing third party audits are a critical component of managing commercial risk

Understanding today's rapidly evolving business environment and its impact on third party risk:

1. Pressure on margins

Margins are tightening leading to additional self reporting risks by your business partners.

2. Contract interpretation

Increased pressure to re-review contracts and interpret any contractual language to benefit the third party.

3. Bad actors

With this increased pressure, some third parties may go a step further and push beyond contract interpretation.



4. Lack of transparency

Business partners are providing less and less transparency in their reporting.

5. Increased automation

Our clients are relying more and more on automation tools, which may or may not be in alignment with the contractual obligations.

6. Global operations

With global business comes disconnect between entities on technologies and systems used, leading to missing sales or products in reporting.

KPMG Contract Compliance Services

Royalty/Licensing Reviews

We assist clients in the recovery of revenues lost due to inaccurate and incomplete self-reporting by licensees.



Vendor/Supplier Reviews

We assess vendor compliance with various provisions of purchase agreements across the supply chain.



Channel/Distribution Reviews

We assist clients in enforcing channel partner compliance to recover misreported payments and inappropriately claimed incentives.





90%
Of self-reported data contains errors or omissions

Misreporting of self-reported data: When relying on third parties to self-report data or information critical for monitoring business activities or driving a payment the audit must validate data completeness & accuracy.

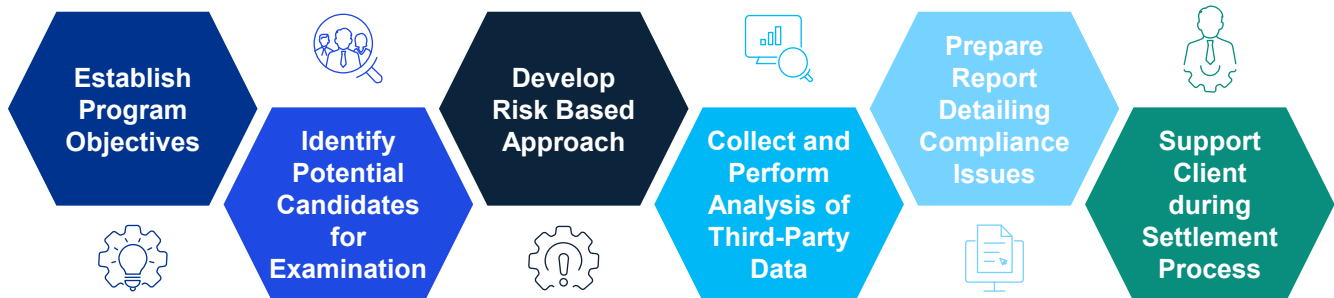
Contractual misunderstandings: Differences of interpretation can lead to inconsistencies in application. Often agreements were negotiated by individuals no longer with the company or inherited through mergers.

Lack of contractual oversight: Broken processes for reporting data (or lack of internal monitoring controls) lead to problems that go unchecked for years. Root-cause analysis can prevent future issues.

Payment inaccuracies: Reconciliation of payments made per the contractual terms, and based on an audited data set, often identifies overpayments or overcharging from the third party.

Our proven methods and tools

We help clients identify financial misreporting and improve compliance with existing contracts, with significant potential return on investment, often in the form of a direct cash payment.



The value we provide and the culture we bring with us



10:1

Return on investment (recoveries to our fees)



Dedicated CCS Team

Dedicated KPMG CCS professionals including 45+ in the U.S. and 300+ globally



Affordable

Flexible cost structure tailored to your organization



Technology Approach

Market leading data analytics tools for maximizing results



Stronger Relationships

Non-adversarial approach working with your business partners



Cross-cultural Versatility

The language and cultural skills to operate effectively anywhere

Contact us

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