



Forensic Investigations

Respond quickly and efficiently to alleged
or suspected fraud and misconduct



Investigating suspected fraud and misconduct

Responding quickly to allegations of fraud or misconduct is critical but rarely easy. Knowing how to respond and how to conduct an effective and efficient investigation, is more important than ever. To improve response time, efficiency and cost, organizations are increasingly establishing relationships with reputable providers of global forensic investigation services – on an as-needed or on-call basis.

Do you suspect fraudulent or inappropriate behavior within or from outside your company?

If so, you need to find out what has happened and take action to minimize potential reputational damage or commercial loss. KPMG can help you identify and preserve all relevant data to comply with regulatory or legal requirements. Our forensic investigation team, which includes accountants, technologists and industry specialists, investigate the matter and provide clear and concise reporting.



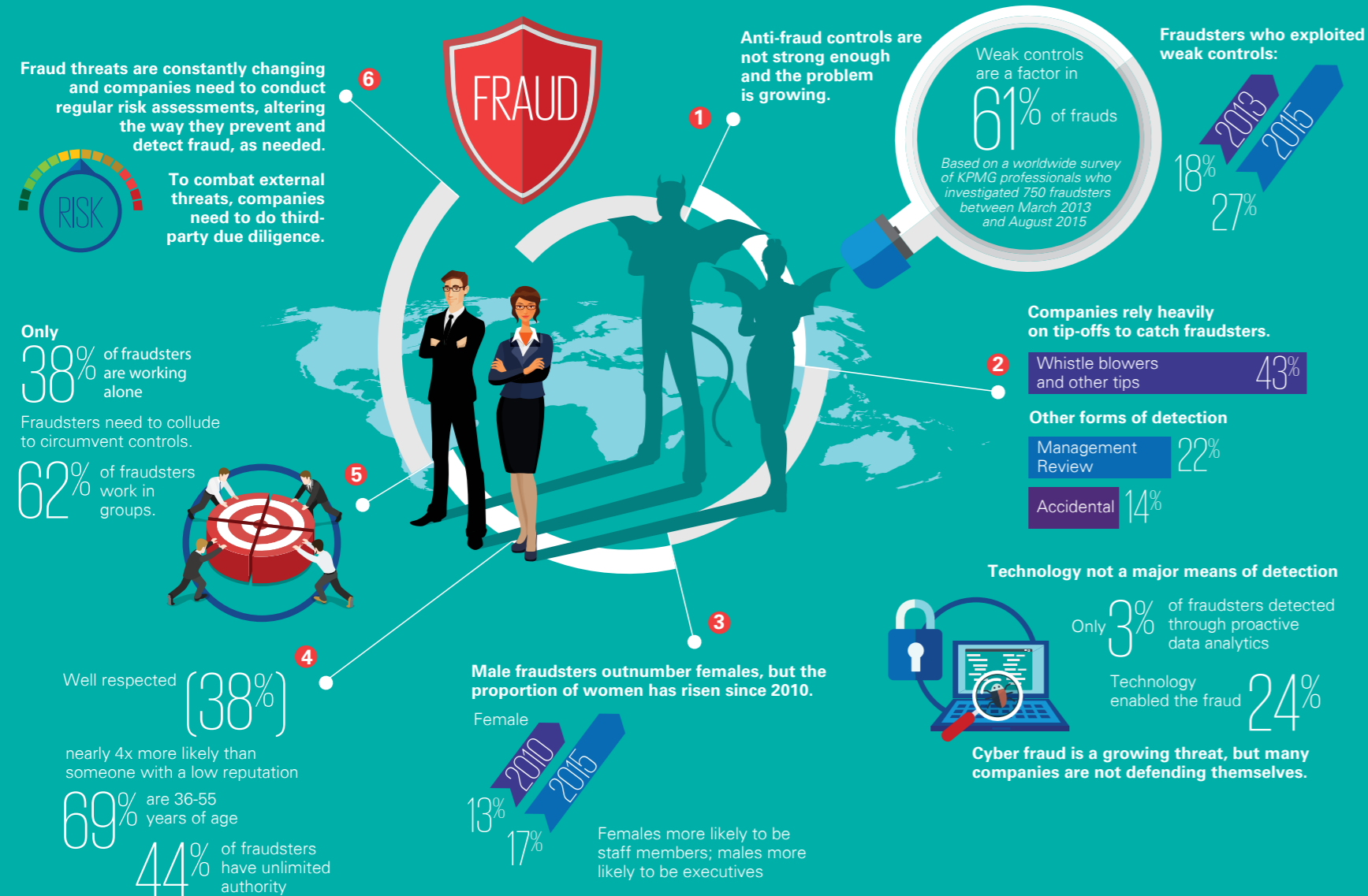
The kpmg approach

KPMG helps clients find and assess the relevant facts concerning alleged or suspected fraud, misconduct or other improprieties such as violations of laws, regulations or organizational policies.

We can readily assemble local or multinational teams comprising members who use shared methodologies and have deep industry sector knowledge and demonstrated technical skills. We work closely with our clients to understand their objectives and coordinate our approach to utilize the appropriate resources. Our goal is to help clients ascertain the relevant facts so that a concern or situation can be rapidly resolved with minimal disruption and cost. KPMG understands how to conduct a successful investigation.

One of the greatest challenges in any investigation is finding the relevant data and managing the issues related to jurisdictional access to data and data transport. Collections must be executed efficiently, cost-effectively and with strict chain of custody. KPMG's leading technology capabilities enable our clients to respond quickly to adverse events. Our clients value access to our skilled forensic technology professionals who have the experience and reach to help them recover and analyse digital evidence virtually anywhere in the world.

Global profiles of the fraudster: Technology enables and weak controls fuel the fraud



Forensic Readiness

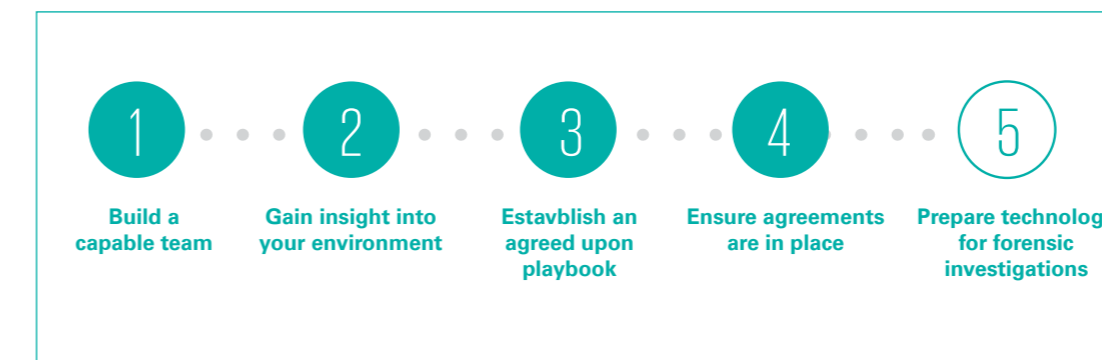
Be prepared, have a fraud response plan in place

Forensic readiness is about the achievement of an appropriate level of capability by an organization in order for it to be able to collect, preserve, protect and analyze digital evidence so that it can be effectively used in any legal matters, in an employment tribunal or in a court of law.

What are the main drivers for forensic readiness?

- Data protection can be easily forgotten in times of crisis. Data protection issues can arise when collecting and disclosing electronic information in connection with litigation.
- Organizations continue to have trepidation over changes in their IT environment (e.g. bring-your-own-device policies and cloud-managed-services).
- Regulations concerning data retention requirements in different jurisdictions are constantly changing. There are a lot of developments in the privacy space.

KPMG assists its clients in getting "forensic ready". To do this, our team deploys the following roadmap:



How good are your playbooks to ensure that you can collect and preserve data without incurring unnecessary costs?



eDiscovery

Ensure immediate and convenient access to evidence, irrespective of the format and volume

The burden of regulation, litigation and investigations is huge and continues to grow. So is the volume and variety of data involved in meeting those requirements:



— **Collecting and analyzing data** is often a complex task involving multiple sources, data types and locations. Whether the investigation is large and complex, or an isolated/internal matter such as suspected fraud, it is essential that data is captured systematically to meet requirements and keep costs under control.



— **KPMG's eDiscovery platform** enables the processing, filtering and hosting of preserved data, including email, e-documents, chat, social media, audio, risk and trade data. Our experienced team manages these processes and advises you on workflow and best practice.



— Our propriety workflows **automate many manual processes**, reducing the risk of human error and increasing efficiencies. We lead the market in configuring workflows for review and create bespoke dashboards to allow you to monitor review progress, manage costs and identify risk.



— We deploy **Technology Assisted Review technology** and innovative products, including machine learning programmes, to ensure the investigation is fast and exhaustive. In a rapidly changing technology market we are not tied to any supplier and will work with vendors or develop solutions in-house to make sure you have the best tools for the job.



— When projects involve **multiple countries**, have local legal requirements such as data privacy, or need additional expertise, we draw on KPMG's global network utilizing colleagues who have native language skills and local market knowledge.

Data Analytics

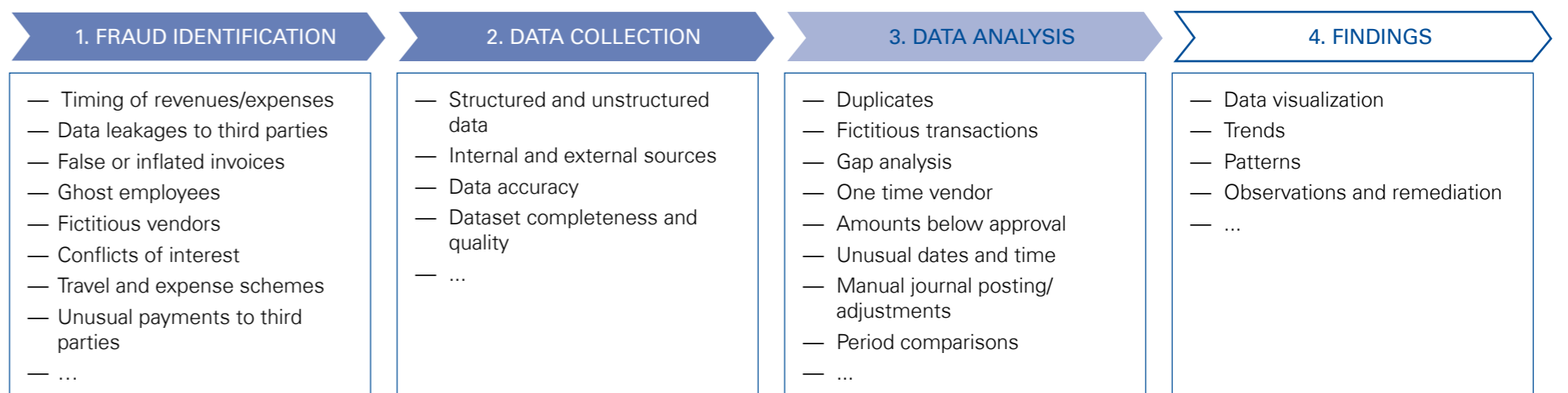
Discover and analyze patterns of fraudulent activities

Data Analytics in fraud investigations:

When it comes to fraud investigations, data analysis seeks to identify anomalies or red flags that may indicate potential fraud in the general ledger, inventory transactions, employee master data, vendor master data, time and expense reporting, and other client systems.

KPMG provides powerful data analytics that can create immediate value for our clients. We can identify opportunities to stop fraud, waste, and misappropriation of resources that have an immediate impact on the bottom line. KPMG's Global Forensic Data Analysis Methodology is our approach to examining financial and operational data routinely collected in the normal course of business

and extracting additional value by making a series of comparisons, summaries, and aggregations to detect anomalies, patterns, and trends that are potentially indicative of fraud or other misconduct. We provide results that are meaningful, understandable, and easily transferable to management, internal audit, or investigative teams.





Third-Party Risk Management

“By gathering critical information on individuals and entities, we can equip you with the intelligence and insight necessary to make sound decisions with more confidence and less risk.”

Gain deep and exhaustive insights into your business partners’ backgrounds

Corporate intelligence is an invaluable aid to sound business decision-making. It provides vital information on current and future business partners and other matters when organizations want to reduce risk, enter new markets, solve corporate problems, undertake investigations and enhance business opportunities.

Our global network of corporate intelligence practitioners locate, collect and analyse information from public and confidential sources around the world. They come from a range of backgrounds, including investigative journalism, political risk analysis, forensic accounting, private investigation and police intelligence. They undertake sensitive assignments in both established and emerging markets. They combine years of practical experience with robust quality assurance procedures.

How KPMG can help

- KPMG’s Corporate Intelligence services include:
- Integrity due diligence
- Investigation support
- Litigation support.

“The diverse skills and experience of our practitioners combined with their networks and access to global resources provides you with invaluable corporate intelligence to support your business agenda.”



KPMG investigations – key steps and considerations

Be prepared

Act in accordance with the response plan that typically includes:

- Procedures for receiving and recording allegations
- Who is responsible for deciding whether an investigation is warranted
- Escalation process for appropriate notification to the board and audit committee
- Process for planning and managing the investigation
- Evidence collection method
- Guidelines for data preservation
- Guidelines for what is legally acceptable during an investigation
- Guidelines for notification and communication

Initial considerations

STEP 1

Assess whether an investigation is needed

STEP 2

Decide if interim actions need to be taken

STEP 3

Determine who must be notified of the allegation and investigation

STEP 4

Decide who will lead and oversee the investigation

STEP 5

Decide who will conduct the investigation

STEP 6

Assess special considerations (e.g. legal privileges)

Investigation

1 Investigative plan

Investigation goals & strategies
Preliminary scope & action items
Estimated time & resource requirements
Reporting procedures

2 Gathering information

Documentary evidence
Digital evidence
Physical surveillance
Publicly available information
Interviewing

3 Analysis of information

4 Concluding the investigation

5 Reporting

Nature of the alleged misconduct
Critical issues investigated
Documentation
Uncovered facts
Factual conclusion
Inventory documentation

6 Closing the investigation

Remediating the harm caused
Examining the root cause
Disciplining those implicated
Communication to the wider employee population
Improve internal controls where needed

Pitfalls

- Be prepared, have a fraud response plan in place
- Take applicable legal requirements into account to avoid making the whole investigation inadequate or worse illegal
- Have clear communication guidelines in place (internal and external)
- Notify the board and other stakeholders timely
- Define clear responsibilities within the investigation team
- Make sure the required competencies to perform the investigation are available
- Always get to the root cause of the misconduct

Contact us



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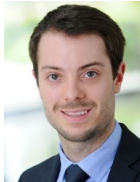
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