



# Diagnostic review and benchmarking corporate treasury

**Reduce risks – improve performance**

Treasury – Efficient Finance Operations

Optimization of treasury operations can boost profit margins by up to one percentage point. So it's vital that you understand what your treasury organization looks like. KPMG will help you with an assessment and offer specific recommendations.

## The challenge

It is extremely important for a company to know how well its treasury organization is positioned in terms of the following success factors:

### Effectiveness

To achieve the treasury's objectives, such as guaranteeing permanent liquidity, controlling cash flows and managing financial risks, you need an effective organizational, process and control structure. But what happens if there are hidden inefficiencies?

For example, the implicit dependence of purchase prices on exchange rates can remain hidden due to poor communication between procurement and treasury.

Treasury therefore takes an incomplete currency position, which in turn leads to a risk of mismanagement. This can result in significant fluctuations in the operating result.

### Efficiency

Economy is expected in all business areas – the treasury should be no exception. A uniform IT platform, company-wide governance and the centralization of treasury operations are all important aspects of an efficient treasury. The supporting IT infrastructure in particular harbors hidden potential that can be harnessed to boost efficiency; for example, in the traditional middle and back office functions, such as reporting or transaction processing. Automation of risk reporting significantly reduces not only manual work, it also provides front office and management with sound analyses. Standardization and automation of transactions lowers costs and increases security.

Efficiencies can be gained not only in IT, but in many other treasury areas too; for example, in the financing structure and processes (such as capital structure, local versus central and external and internal financing, or cash pooling) – with implications for processing costs, net interest and strategic flexibility in the context of corporate financing.

### Compliance

Compliance is non-negotiable and must be fulfilled. This applies to corporate and tax law, regulatory requirements and codes of conduct. Violations may have serious consequences both for company and management, whether in the form of fines, reputational damage or even business prohibition.

Compliance with laws and regulations must therefore be ensured through an effective internal control system, which must also guarantee that the company is protected from damage caused by fraud or operational errors.

## What we offer

Thanks to our many years of experience and advisory expertise, we carry out a comprehensive audit of your treasury using specific assessment criteria tailored to you and your company. This applies in all three areas: effectiveness, efficiency and compliance.

The audit is based not only on regulatory and statutory requirements, but also on our knowledge of leading practice in comparable firms, which KPMG has accumulated from its many years' experience in finance and treasury management.

The diagnostic review follows a standardized, proven approach:

### 1. Flexible definition of the scope

Whether a 360° review or a focus on specific areas – priorities are defined with an assessment of the inherent risks and the company's specific situation.

### 2. Structured analysis phase

A standardized, efficient analysis of the organizational

structure, processes, methods and systems, and the deployment of resources and costs, is carried out by means of documentation review, interviews and walk-throughs.

### 3. Results and measures

Even before the analysis phase is over, we will be able to present you with a strength/weakness profile and propose improvement measures in the form of concrete action points.

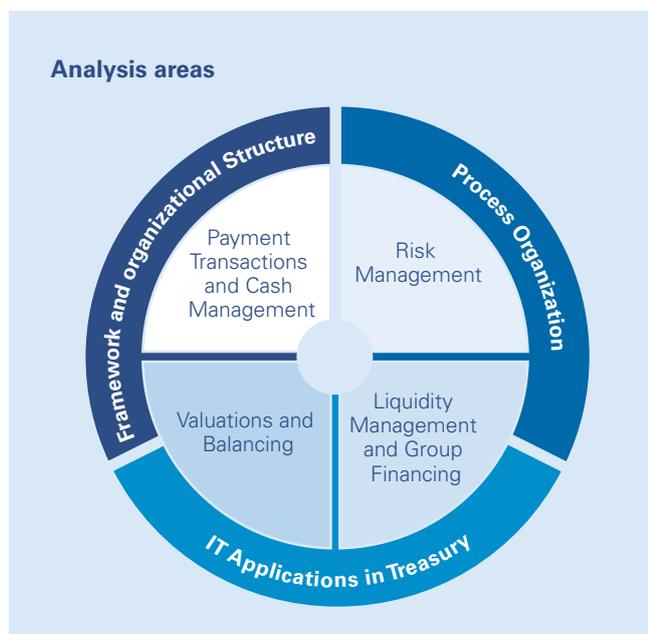
We can then use the proposed measures to prepare a roadmap designed to help you eliminate weaknesses and optimize your treasury organization. The end goal is to make a lasting contribution to your company's future success.

## Your team of specialists

The KPMG finance and treasury management team comprises specialists with wide-ranging, practical expertise – both technical and methodological, and in process-related and system-related tasks. Whether you have questions regarding organization, processes, IT solutions, reporting, accounting or regulation – we offer you comprehensive support.

Would you like more information or a personal consultation? We will be happy to help you.

Find out more and visit us at:  
[kpmg.ch](http://kpmg.ch)



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