

# Building on strong foundations

## Charting a new path forward

### Making support functions pay for themselves

As organisations grow their businesses, it is important that the management ensures:

- Leadership focus on business growth drivers instead of operating non-core functions
- Business is equipped and staffed appropriately to manage support functions, and they have the ability to be flexible to match the needs of the business during variable business cycles
- Support functions build their technology capability to add value through insights and data analytics, and in some senses become a profit center on their own

As businesses are pressured to deal with cost and growth issues, we observe that business are engaging service organizations to take care of their non-core business functions, to allow management to focus on business goals. Typically, it is accounting, Tax, IT and HR functions that are widely outsourced since these are the areas that constitute the majority of cost and headcount as far as non core activities are concerned.

The drivers for deciding whether to outsource or not vary by organization, but we have provided below some key aspects that have a bearing on the decision

- Level of difficulty in building and operating an internal finance function e.g. retention of key talent, continuous training, offering growth to employees and cost pressures
- Difficulty in arranging appropriate local work permits and residencies when recruiting appropriately skilled personnel
- Costs and reputational implications in the case of lapses in critical compliances
- Need for quality reporting on a timely manner
- Building process efficiency in order to be able to manage increased volumes at a lower per transaction cost
- Integration of technology capability into processes especially in the areas of data analytics to enhance the value proposition of non core activities

To be able to outsource these activities, organisations go through a quick analysis and typically start with a few processes in some key areas, then expand the range and scale of outsourced activities based on their experience.

### KPMG Managed Services

KPMG offers integrated Managed Services to address your Statutory Accounting, Bookkeeping, Payroll and Tax processes using its specialised and dedicated team - comprising accounting, secretarial, tax and HR/ payroll professionals.

Our offering is relevant for the Kuwait operations of foreign companies and start-up companies. Such entities may find it beneficial to outsource their bookkeeping and compliance functions to be able to focus on their core business operations.

Larger groups may have the need to outsource a subset of their process with a function rather than all processes, such as manage accounts payable and accounts receivable function.

#### The offering encompasses broad range of services, including:



Maintenance of books of accounts



Monthly management information reports



Support during the audit process



Preparation of annual financial statements



Assistance with HR and payroll processing



Assistance in group reporting



Support on direct tax, indirect tax both locally or abroad

# Highly customizable services basis unique requirement and scope specifics

## Accounting



- Regularisation of books of accounts for past periods
- Record day-to-day accounting transactions as required under IFRS
- Manage accounts payable and accounts receivable function
- Record fixed assets and prepare depreciation schedules
- Record month-end accruals and manage the closure process
- Prepare bank reconciliation and inter-company reconciliation statements
- Prepare customised monthly/quarterly/annual MIS reports
- Prepare annual financial statements as per IFRS
- Liaise with auditors as required to help facilitate the timely completion of an audit.

## Management accounting



- Prepare customized monthly / quarterly / annual MIS reports
- Review of annual financial statements
- Operational and finance support
- Support in preparation of business plan
- Support in compilation of annual budgets and periodic updates
- Support in cash flow monitoring
- Support in preparation of future cash flow forecasts

## HR & Payroll processing



- Assist with payroll processing
- Prepare pay slips
- Prepare customised payroll reports
- Prepare monthly bank transfer letters
- Maintain leave records
- Provide a helpdesk for employees

## Direct tax



- Assistance with tax compliance
- Assistance with advance tax working
- Preparation of tax returns
- Assistance with tax assessments
- Assistance with application for lower withholding certificates
- Assistance with other regulatory compliances
- Assistance with advance rulings
- Transfer pricing support.

## Indirect tax

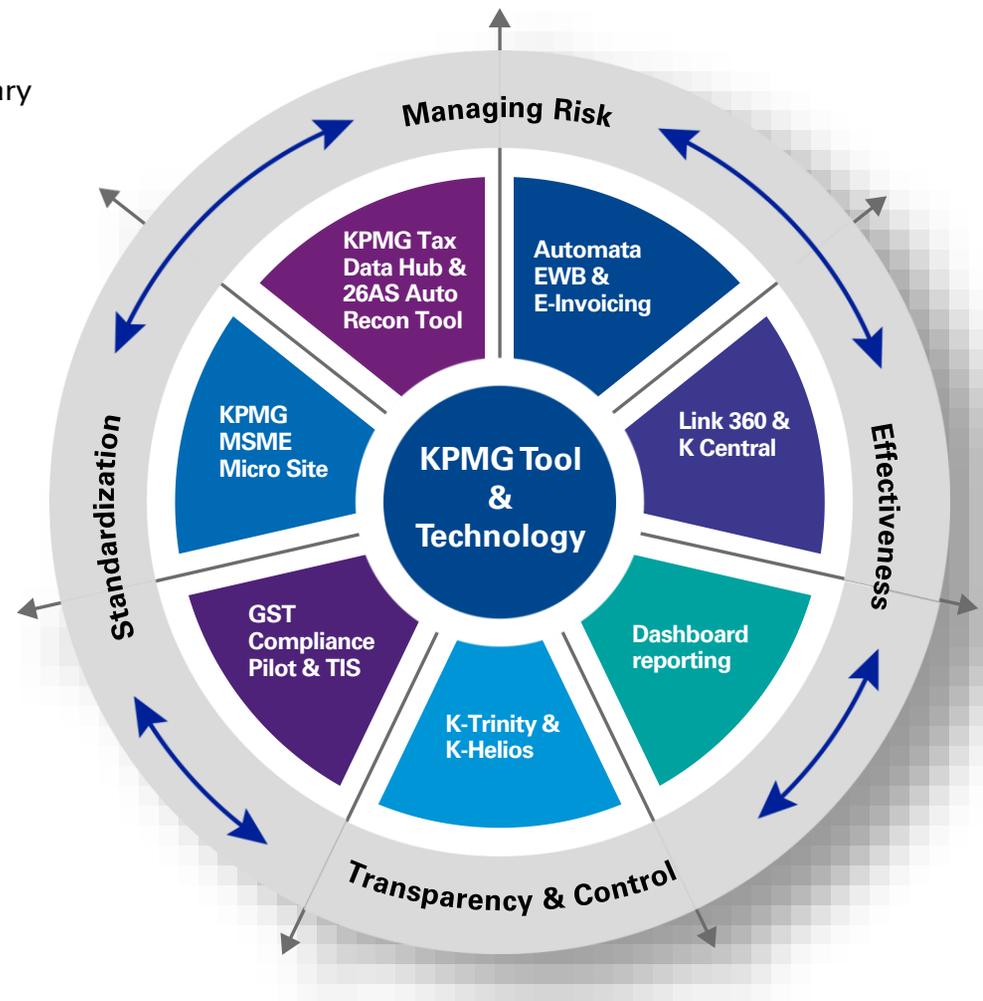


- Assistance with VAT and other Indirect tax compliance
- Assistance with the preparation of returns
- Review of required registers and records
- Assistance with tax assessments
- Assistance with drafting of responses to preliminary queries from the tax department
- Assistance with other regulatory compliances
- Impact assessment and suggesting the way forward for VAT

# KPMG's proprietary suite of tools and technology to enable seamless and integrated services

Our technology driven operations are enabled by a proprietary suite of tools that are customizable basis organizational specificities

Secure environment with controlled access rights and fully compliant for all data privacy regulations	Provides data insights and business outcomes
	End-to-end Tax and compliance automation
Reduces manual efforts, human errors and Improves accuracy	Dashboards provide a bird's eye view of the business performance and compliance status with drill down options



## KPMG Automata - a key enabler

The KPMG Automata digital finance platform provides seamless and integrated capabilities to empower every organization, irrespective of its size or nature of business, to fully transform and automate their finance processes, end-to-end, helping derive insights that catalyze business development priorities.

Cloud (anytime anywhere access)

Customized dashboards

360-degree view of client's business and processes

Revenue impetus (including downstream and incidental)



Automated financial statements

Cost and time efficiency

# Customized service delivery models

## Service delivery models

### Offsite model

- Services provided from our offices in India
- Option of using client-supplied software or our own software

### Onsite model

- Resources deployed on a full-time or part-time basis at the client's location under the direct supervision of the client's finance team or our own team
- Use of client-supplied software

### Hybrid model

- Services rendered from our offices in India and while visiting client premises as per a mutually decided schedule
- Supervision either by the client's finance team or by our own team

## Flexibility in the nature of services



Integrated suite of statutory accounting and bookkeeping compliance



Only bookkeeping services / only financial statement preparation



Short-term project requirements



Ongoing retainer arrangements

## What organizations want...



World class operations at an affordable price point



Efficient process, self reliant, well utilized resources to allow retained organization focus on business partnering roles



Service provider behaving, acting as business partners who can collaborate seamlessly with business



Intelligent Controls and Compliance operations for improving accuracy, reliability and predictability of financials



Operations that leverages technology to deliver quick and accurate financial and business information



A partner who takes responsibility, accountability and willing to invest in the relationship and has scalable operations to accommodate future growth

## ...and what KPMG offers.

- Integrated managed services – one stops shop to address your compliance needs
- Dedicated and experienced team to support you through out the process
- Ability to leverage our diverse experience and client base to benchmark and improve processes
- Access to KPMG's global network allows member firms to offer dedicated bookkeeping and outsourcing services locally around the world
- Robust tools, technology and methodology for control and transparency
- Confidentiality and data security due to established internal risk policies and guidelines
- Smooth transition and delivery mechanism to help ensure that there are no surprises.

## KPMG in Kuwait

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