



Leading with Purpose. Harnessing our Momentum for Change.

Annual Review 2020

April 2021

www.kpmg.com.mt



At KPMG we build and sustain our reputation as the best firm to work with by ensuring that our people, our clients and our communities achieve their full potential.

KPMG is a global organisation of independent professional services firms providing Audit, Tax and Advisory services. We operate in 146 countries and territories and in FY20 had close to 227,000 people working in member firms around the world.

KPMG, a Maltese civil partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. Each KPMG firm is a legally distinct and separate entity and describes itself as such.

KPMG Microsoft Business Solutions is an international business & IT solutions provider that supports organisations in business transformations enabled by technology. Our work focuses on Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), e-commerce and Cloud Solutions. Using our business and IT expertise, we can help automate and transform organisations with the established business technology solutions in Dynamics 365.

Contents

4

Introduction
by André Zarb

6

A Year in Review
by Iain Fox

8

Highlights

22

News and
Updates

32

KPMG's
Point of View

46

Contacts

The current annual review has been prepared to coincide with the Firm's financial year ending September.

Any mention of Microsoft Business Solutions (MBS) within this report refers to what was previously known as KPMG Crimsonwing.



Introduction by André Zarb

A change for better

In the 2020 Annual Review for the global firm, Bill Thomas, KPMG's Global Chairman and CEO of KPMG International, stated the below:

"Over these past months, we learned so much about ourselves – as a business, as individuals, as members of society. Perhaps the greatest lesson has been that when we have the will to do it, we can change how we work together, for better. To inspire confidence and empower change."

At KPMG in Malta too, throughout the past months, we have changed as a firm; for better. We've risen to the challenges of this once-in-a-generation crisis and we're now working together more efficiently and more effectively than ever. We've empowered our people with an unmatched deployment of technology.

Safety first

From the very beginning of the pandemic, we wanted to protect and support our people, our clients, our firm, and society more broadly. Safety first, and always. That remains as true today as it was back in the early days of this crisis. In fact, the majority of employees have been working remotely since March 2020.

Our people believe that working relationships within their team have been maintained during the COVID-19 crisis and they also managed to stay true to their values, as evidenced by the results of our most recent People Survey (October 2020) summarised on page 12 of this review.

Financials & People

In the last financial year ended 30 September 2020, gross revenue for KPMG in Malta grew by 7.9% whilst that of KPMG MBS grew by 17.2% giving a combined growth of 13.1% and total gross revenue of €59million. I am convinced these numbers could have been far different had it not been for the continued and sustained efforts of all our people.

KPMG is attracting more highly-skilled and motivated talent than ever before and in FY20 we employed close to 227,000 people globally. The number of KPMG people in Malta as at 30 September 2020 was a total of 916 (inclusive of 112 students forming part of our Graduate Recruitment Programme).

Responding in a transformative year

Around the world, KPMG professionals have joined organisations in taking on the challenges posed by COVID-19. We've offered our expertise and other resources to public health initiatives, assisting organisations to deal with the overwhelming demand on health systems. We are proud of our global involvement in several key initiatives; from improving the efficiency of COVID-19 testing to developing and evaluating government 'track and trace' apps.

Delivering on our strategic priorities

I'm incredibly proud of our firm and how we have supported each other and clients through a very turbulent year. While the well-being of our people has been our top priority, we also made sure to stay focused on executing against our ambition and strategy. First and foremost, this means delivering excellence, and maintaining the highest levels of quality and integrity in all areas of our work. Furthermore, it also means investing in our talent and digital capabilities that will drive us forward.

The pandemic has accelerated the trend to digitalisation. This is the case for our clients' businesses and all our services across Audit, Tax and Advisory. We are innovating and continuing to roll out our digital platforms, and at the same time, we are guiding clients with their own digital transformation.

"The New Reality isn't about going back, back to the past. It's about going forward, shaping the future. We are in for what looks like a far more transformative era, in ways that were impossible to imagine at the beginning of 2020, and inevitably we will face many tough decisions."

André Zarb
Country Senior Partner, Tax Partner,
KPMG in Malta

31 January 2021



A Year in Review

by Iain Fox

I'm sure that every article you have or will read in the coming weeks that reflects on 2020 will reflect on the same theme. 2020 has been a year we could never have planned, has been a year of unprecedented change and one that will change the way we live and work forever. Most of all, for me personally, it's a year that has made the world feel like a much smaller place than I thought it was before and it's had a profound impact on how KPMG's clients and KPMG themselves use Technology to serve their clients.

A smaller world for how we work through technology

It is true, large multinational businesses or newer challenger organisations, born into the digital age have long embraced the concept of global collaboration and the application of technology to give their businesses a competitive advantage and to better serve their clients. COVID-19 though, through necessity, has meant a much broader set of our clients have grasped the global nettle and found that, through the right use of technology and with our guidance, they can achieve great business and client outcomes without everyone being in the same physical space or even the same country.

Virtual world overtakes the physical

We have all been part of the move towards more of a virtual world for a long time now, but COVID-19, closing many physical retail or traditional channels to market, has acted as a catalyst to people doing their personal and commercial business in a virtual way. Millennials have been acting this way for years, but now large swathes of 30 somethings and older have had to switch their habits as have many businesses.

Those companies that already had a full set of physical and digital channels to market have prospered in post COVID-19 world, and we have been heavily involved in helping some of those organisations cope with huge increases in business volume, as well as helping a number of clients rapidly implement new technology solutions to adapt to the new virtual world we are now part of.

"2020 has been a year we could never have planned, has been a year of unprecedented change and one that will change the way we live and work forever."

Seizing the opportunity to change

One of the biggest trends that we have observed from our clients in the past 9 months is that of digital self-reflection. That is to say many organisations have taken COVID-19 as a wake-up call to look at their digital journey and push hard on the accelerator. We are seeing more organisations invest digitally so they can become more efficient, more resilient and able to offer goods and services to their clients the way clients choose to consume them, i.e. make themselves 100% accessible, 100% off the time, regardless of the circumstances.

People need people

While COVID-19 has changed the way we live and technology is enabling this way of life, something has become stark in everyone's eyes, both inside KPMG and also within almost every client I speak to. Despite many business interactions now being done over a video call or through an eCommerce platform, people are really missing being with, interacting with and generally talking to people. So, while COVID-19 has accelerated the digital world, it will also ensure the physical world will endure.

I am both pleased and proud to say that Microsoft Business Solutions, here in Malta through 2020, has accelerated our growth and transformation trajectory and will be close to having 100 more people in the first half of 2021 than the same period in 2020. It's testimony to the strategy of having a dedicated Microsoft Technology Centre in the heart of Europe, filled with talented people, from both Malta and from around the world. We have and will continue to create a diverse client relevant centre to be proud of and that can serve our clients both virtually but be close enough to the rest of Europe to service them physically as the situation dictates.

Iain Fox
CEO, KPMG Microsoft Business Solutions

31 January 2021

Highlights 2020



Revenue
for the period ended 30 September 2020

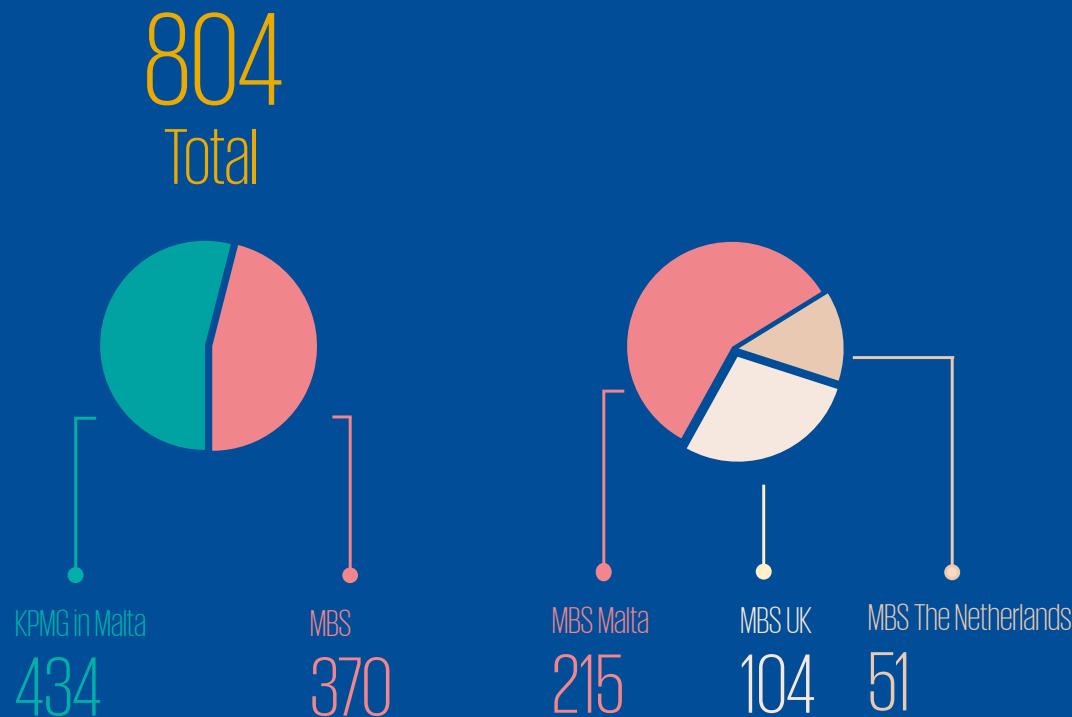
	2020	2019	
KPMG in Malta	€25.0m	€23.2m	+8%
MBS	€34.0m	€29.0m	+17%
Total revenue	€59.0m	€52.2m	+13%

(‘m’ denotes millions)



People

KPMG people in Malta as at 30 September 2020
(excluding students)

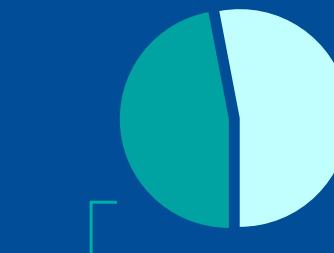


KPMG people in Malta as at 30 September 2020
(including students)

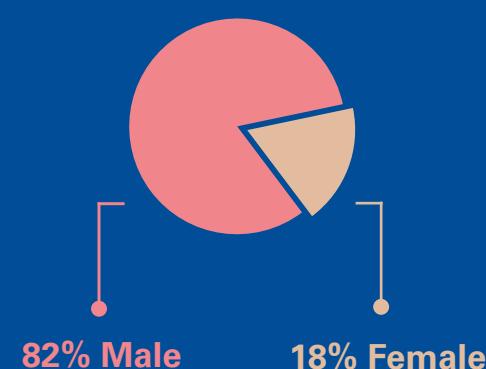
KPMG in Malta 534 MBS 382

Participation rate in management roles by gender

KPMG in Malta



MBS



Students participating in our
graduate recruitment program
as at 30 September 2020

112

KPMG in Malta and MBS

Job applications
received in total

c.18,600

KPMG in Malta and MBS

KPMG in Malta People survey

KPMG Global People Survey – October 2020

People

95%

are willing to put
in a great deal of
extra effort to help
KPMG succeed.

93%

believe that they
make good use
of technology to
collaborate more
efficiently with people
in different places.

93%

are proud to
work for KPMG.

91%

state that KPMG
supports inclusion
and diversity in the
workplace.

Client service

98%

understand their
role as an auditor
in providing
independent
assurance,
supporting the
capital markets
and protecting the
public interest.

85%

believe that KPMG
does an excellent
job in anticipating
new products
and services that
clients will value.

COVID-19

83%

believe that
working
relationships
within their
team have been
maintained during
the COVID-19
crisis.

93%

believe they have
stayed true to their
values in how they
acted during the
COVID-19 crisis.

Quality & Trust

93%

state that the
people they work
for demonstrate
honest and ethical
behaviour.

95%

said that KPMG's
commitment to
quality is apparent
in what they do on
a day-to-day basis.

92%

state that they
trust the leadership
of the firm.

KPMG Microsoft Business Solutions People survey

MBS Global People Survey – October 2020

People

87%

are willing to put
in a great deal of
extra effort to help
KPMG succeed.

84%

are treated with
dignity and respect
at work.

81%

state that the
people they work
for share their
knowledge and
experience with
them.

COVID-19

87%

believe that
working
relationships
within their
team have been
maintained during
the COVID-19
crisis.

87%

believe they have
stayed true to their
values in how they
acted during the
COVID-19 crisis.

Quality & Trust

83%

state that they
know what they
need to do to live
the values in their
day-to-day work.

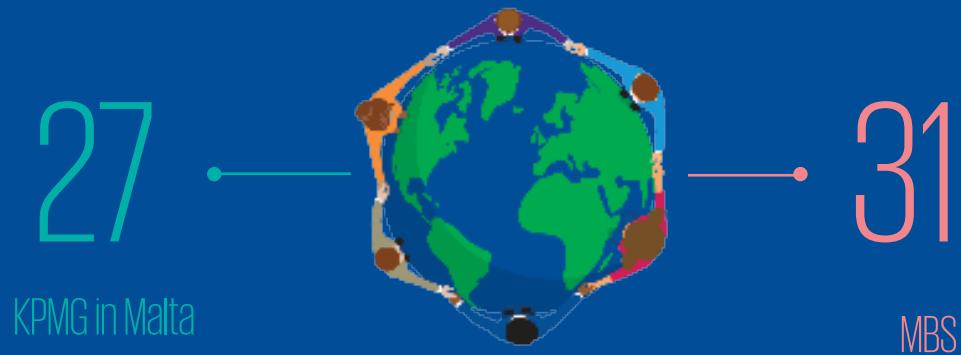
83%

said that the
people they work
for demonstrate
honest and ethical
behaviour.

Learning & Development



Nationalities



Thought leadership

Articles &
publications

200+

External
events

20+

including in-person and online



KPMG in Malta CSR 2020

Corporate social responsibility (CSR) is at the heart of KPMG's culture, in line with KPMG's global values. Our dedication to the community that we live and operate in, and our commitment to making a difference to the environment as well as to our people, underlies at KPMG's global culture.

We are proud of a wide range of initiatives to engage our people and to make a positive difference in our community. Our CSR activities help our people realise their potential and expose them to different life skills and perspectives. The volunteering opportunities we offer as well as our sports and social initiatives help make us an Employer of Choice.

Under the guidance of Doreen Fenech, who was the Partner appointed to lead the CSR and Social Committee at KPMG in Malta, the Committee is committed to focus on the main four pillars: Kids, People, Move and Green, thus enabling the firm to achieve even more.

CSR at KPMG is broken down into four main pillars:

Kids

We believe children are the future. Efforts will focus specifically on initiatives supporting or promoting children's needs, education and well-being.

People

We want to care for and support the well-being of our own people and the ones around us.

Move

We want to focus on highlighting the importance of physical and mental well-being as well as promote fitness and the importance of sports.

Green

We are committed to raising awareness about the importance of protecting our environment, sustainability as well as local heritage.

 1,846 hours

Hours volunteered



€66.5K

Donations and voluntary hours conferred to philanthropic foundations and professional associations.

Even though COVID-19 hit the business world hard, the firm still did its utmost to help where and when it could which was mainly through financial donations. From supporting the Pink October campaign and COVID-19 causes, to collecting Food bank donations and holding our traditional annual Shoebox Initiative, amongst others.

Before COVID-19 hit, the firm had already planned and organised a number of events in the first two months for the whole year, including Health Week to memorialise World Obesity Day and participation in Malta Marathon 2020.

136

Total number of trees saved

2019

295

2020



159

Calculation by Businesses ACT paper calculator



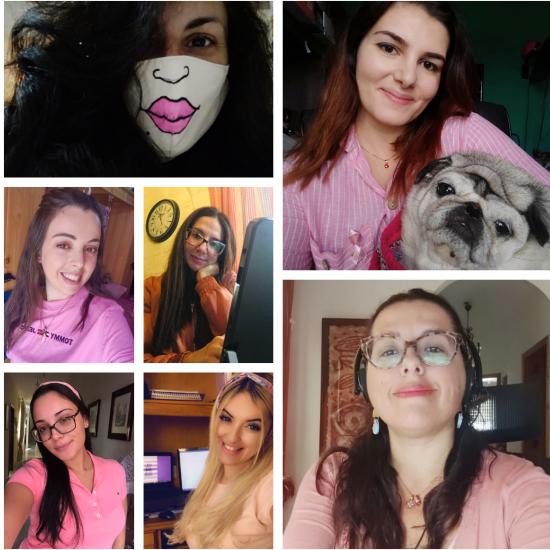
Meeting a representative from Health Promotion and Disease Prevention Directorate following our participation in Health Week.



Donations given to Fondazzjoni Sebh.



Christmas gifts to orphanages in Malta (Shoebox Initiative).



Pink October Dress Down Day at Home. Donations given to Action for Breast Cancer Foundation Malta.



Dress Down Day at Home. Donations given to COVID-19 related causes.

MBS CSR 2020

The majority of KPMG's Microsoft Business Solutions team donate a portion of their monthly salaries to the People Who Care Fund and to Richmond Foundation.

During FY19/20 we raised €7,629.20 for the People Who Care fund and €419.72 to Richmond foundation.



Pink October 2020:

COVID-19 was the main talking point of 2020; however, this did not mean that everything else had to stop. Although we were limited in our ability to organise a proper fundraising event at the office, we still wanted to donate some funds towards such a worthy cause.

We hold a yearly survey amongst employees and to increase response rate, we promised to donate some funds to Pink October if we improve the response rate over last year. The rate improved and we kept our promise and donated funds to Action for Breast Cancer Foundation.

Moreover, in a bid to raise awareness, we held a quiz to close off our Financial Year. The prizes associated with the quiz were Pink October merchandise.

Laptop donations:

We donated a laptop for the use of one of the residents at St. Patrick's Residential Services. In brief, St. Patrick's Residential services welcome adolescents and young persons who need a home away from home due to personal or social circumstances.

A laptop was donated to a child who suffers from medical conditions and required the laptop to continue school virtual lessons and to also submit doctor tests online.

COVID-19 Buddies group:

During FY19/20, a COVID-19 Buddies group was formed, and this group is all about #HelpingEachOther especially during this time of need. Their mission is to provide help and support in any way that they can, to any of our colleagues who may be locked down in their homes as a result of mandatory quarantine orders from the health authorities.



Pink October merchandise.



Pink October donations towards Action for Breast Cancer Foundation Malta.

News and Updates



André Zarb Takes the Helm as Senior Partner for KPMG in Malta

Leading professional services firm KPMG announces a change in its top role, with André Zarb being appointed as the firm's senior partner as from October 2020.

André Zarb will be succeeding Tonio Zarb, who led the firm during a significant period of investment and growth, with the firm doubling its revenue and investing in one of the broadest multi-disciplinary teams on the island.

Commenting on the appointment, Tonio Zarb stated "I am pleased to see André take over with a solid team backing the next chapter of growth, initiatives and overall leadership, which André will undoubtedly bring to the firm".

André joined KPMG in 1986 and he took over responsibility for the tax function in Malta in 1993. He was appointed partner in 1994 and was instrumental in driving significant developments within the tax function. For almost three decades, he has been advising leading local businesses, international clients, multinationals and private equity firms on various tax matters. André has also regularly advised the public sector on major changes in tax legislation, and has closely contributed into developments which helped establish Malta as a financial centre. In addition, following Malta's accession to the European Union, he has regularly advised on EU related fiscal matters.



André Zarb, Country Senior Partner

“ I am excited to take over from Tonio and to continue to build on the strong fundamentals, in particular our talented and committed 500+ team, our solid leadership group, and most importantly our clients and other stakeholders who place their trust in us. We are relentless in our drive to be the most trusted and trust-worthy multi-disciplinary professional services firm. ”

- André Zarb, commenting on his election

Tonio, who has been with the firm since 1979, barring a short three-year stint overseas, became partner in 1989 and led the advisory function before being appointed Senior Partner in 2012. Tonio now looks forward to returning to a client-facing role as a partner within the Advisory Function.

In a message to all staff of KPMG in Malta, Tonio Zarb stated "I believe that I'm leaving behind me not only a very strong firm with the potential for a great future ahead of it, but also a very committed and capable management team that will deliver on this promise".

As André moves into his new leadership role, Anthony Pace has been appointed Head of Tax as from October 2020. Anthony brings three decades of professional services experience, crafted principally within the tax function of the firm where he has led numerous direct and indirect tax advisory engagements in banking and financial services, telecommunications, gaming, real estate and family businesses. He has also led several tax due diligence engagements.



Anthony Pace, Head of Tax

“ Working over the years with Anthony within the Tax function, I have witnessed first-hand his skills and incisive approach and I am delighted that he has taken over the leadership role. He has a lot to offer to the tax practice and indeed to the wider firm. ”

- André Zarb, welcoming Anthony into his new role

KPMG in Malta Appoints Three Directors

KPMG in Malta has announced the appointment to Director of Ariane Azzopardi, Claudine Borg Azzopardi, and Curt Gauci with effect from 1 October 2020.

Ariane Azzopardi

Ariane Azzopardi is a Director within the Quality and Risk Management function. She has over fifteen years' experience in this field and is the delegate of the Risk Management Partner at KPMG in Malta. She is involved in the implementation and monitoring compliance with quality and risk management policies and procedures in KPMG in Malta also handling compliance and risk management queries, including those related to the Prevention of Money Laundering and Financing of Terrorism (PMLFT) and ethics and independence. She delivers sessions on PMLFT at the KPMG roundtable and also at various other seminars and conferences.

Ariane is a co-chair of the PMLFT sub-committee at the Malta Institute of Accountants and a committee member of the PMLFT sub-committee at the Institute of Financial Services Practitioners.

Claudine Borg Azzopardi

Claudine Borg Azzopardi is a Director within the People & Change Advisory. She is a counselling psychologist and executive coach with a business and commercial orientation. She has significant experience in supporting leaders through personal and organisational change, and of personality and developmental profiling. Her professional career started in 1999 working within the NHS in the UK and moving to Leadership Consultancy and Executive coaching. She has worked extensively in the area of transformational change and personality and development profiling with diverse nationalities and across industries and geographies.

Claudine enhances top-leadership capacity and agility at moments of personal and organisational transitions and supports transformational change by catalysing change agents and embedding behaviours and mind-sets in everyday work.



Ariane Azzopardi



Claudine Borg Azzopardi



Curt Gauci

Curt Gauci

Curt Gauci is a Director within the Digital Solution Advisory. He has been working in the ICT industry in excess of 25 years. Throughout his career he has been involved in a variety of projects in the private and public sectors. He assisted local and foreign organisations coming from different industries in gaining operational efficiencies and competitive advantage through the leveraging of ICT. In the last few years, Curt has been focused on assisting organisations on their digital transformation journeys specifically with adopting cloud and leveraging technologies, tools and methodologies to facilitate the transformation process and allow for faster return on investment.

Curt is a dedicated and results-driven person with a successful background in the achievement of profitable business and growth through effective business management and the creation and execution of successful business strategies.

KPMG MBS Senior Appointments

KPMG Microsoft Business Solutions has announced the appointment to Director of Kundan Prakash and to Sales Director of Sietske Valkenburg.



Kundan Prakash



Sietske Valkenburg

Kundan Prakash

Director - KPMG MBS Delivery Centre Malta.

Kundan has 29+ years of experience across multiple industries and technologies. Prior to joining KPMG, Kundan was with Microsoft for 14+ years, leading and transforming many large global practices with 250+ employees across multiple geographies. While at Microsoft, he has incubated and scaled multiple businesses /delivery centers and transforming organisations to a new digital era. In his diversified industry experience, he has helped many Fortune 500 companies in large transformation programs leveraging state-of-the-art technologies. He has incubated and matured many practices for Microsoft Services like Dynamics/MBS, Managed Services, Enterprise Digital Strategy & Innovation, Emerging Technologies & Engineering.

Sietske Valkenburg

Sales Director – KPMG MBS NL.

Sietske spent 5 years working with a Dutch Telco company in the Public sector. After that, Sietske worked with KPMG for 8 years before joining KPMG MBS in 2020 as a Sales Director. In previous KPMG roles, Sietske worked as a consultant with Finance & Risk. She was a dealshaper for Management Consulting, Corporate Clients and she was the Dutch Microsoft Alliance Director from 2018-2020. Sietske was instrumental in stepping into new markets with new propositions at MBS. The Dutch MBS team recently chose to step into the Public sector focusing on the CE & Power Platform. The first assignments in this sector have already been won. Sietske's focus is on growing the pipeline and the business, to diversify the MBS portfolio, to enter new markets in FY21-FY24 and to grow and nurture the sales team and drive client centric projects.

KPMG MBS External Events

Webinar: Accelerate your digital transformation with Powered Finance

In the first quarter of 2020, KPMG's Microsoft Business Solutions team organised a webinar focusing on digital transformations for the Dutch market.

New tools and processes allow finance leaders to make effective decisions based on real time data. This means that the finance function can go beyond its traditional role to deliver efficiency gains using automation, predictive analytics and cognitive learning.

During this session, attendees got to learn how their organisation can standardise and automate processes, transform its operating model and gain sharp insights to drive better decisions. The speakers during this webinar were: Frans Cleton, Senior Manager ERP, KPMG, Dianit Rorije, Solution Delivery Manager Dynamics 365, KPMG, and Jan Brouwer, Business Group Lead Dynamics, Microsoft.

LS Retail event summary

Research by Forrester shows that Customer Experience (CX) leaders are more resilient in times of crisis. In today's COVID-19 pandemic, brick-and-mortar retailers are struggling whilst omnichannel retailers are showing resilience. However, the retail marketing evolution does not stop with simply becoming an omnichannel retailer. Retailers should strive to unify all channels running them from the same back-end solution.

A unified commerce platform breaks down silos across a business, eliminating the need to use multiple systems. Marketing channels are brought together and connected in real time, giving retailers a complete view of their entire operation, as well as of every instance their customers interact with them. Besides the improved efficiency, a unified commerce platform will result in a much richer experience for the customer. Elevating the customer experience was the focus of KPMG's webinar held in 2020. Sven Kappe, Senior Retail Consultant at LS Retail, explained how the Unified Commerce concept can be applied across the business and how this results in an improved customer experience. Moreover, Himanshu Parekh, Senior Consultant at KPMG, illustrated how the Unified Commerce concept is at the heart of the LS Central solution and finally, Marc Rizzo, Manager at KPMG, showed how retailers can use POS and ERP data to better understand their customers and improve their digital marketing effectiveness.

KPMG MBS Awards

Best Performance in Skilling and Microsoft Certifications award

We are thrilled to announce that we received the Best Performance in Skilling and Microsoft Certifications award in the Microsoft Partner Summit Awards.



Global Systems Integrator (SI) Digital Transformation 2020 Partner of the Year

Microsoft has named KPMG its Global Systems Integrator (SI) Digital Transformation 2020 Partner of the Year. The organisation was honored among a global field of top Microsoft partners for demonstrating excellence in innovation and implementation of customer solutions based on Microsoft technology.

The Microsoft Partner of the Year Awards recognise Microsoft partners that have developed and delivered exceptional Microsoft-based solutions during the past year. Awards were classified in several categories, with honorees chosen from a set of more than 3,300 submitted nominations from more than 100 countries worldwide.

This is a fantastic achievement for KPMG and for MBS specifically – all the hard work that we have done over the past two years to transform our business and position MBS on the global KPMG map is paying off. As you know, MBS is the GDN's primary go-to centre and the Centre of Excellence for Powered Microsoft solutions for KPMG globally, we are very much at the heart of the KPMG-Microsoft alliance.



KPMG's Point of View



Empowering Our People

Our people define who we are as an organisation. They inspire trust, deliver impact and drive our growth.

In these uncertain times, our people's strength and resilience have stood out more than ever. They have adapted and collaborated to propel us forward and serve our clients and communities, and support each other, through the challenges.



Our priority for 2020 was to give our people the opportunity to make a valuable contribution to KPMG and society at large whilst also supporting their families and loved ones during this unprecedented global pandemic.

- Doreen Fenech, Partner,
Head of People Performance and
Culture, KPMG in Malta



This year has been a time to listen — to understand the physical and mental pressures our people were feeling in real time and respond with empathy and support.

To encourage an ongoing dialogue, we put a proactive listening strategy in place, conducting regular open forums where our people could convene, share experiences and talk about the support they needed, in their work and personal lives.

We used what we heard to adapt to the needs of our people. It was important to acknowledge and respond to the need to look after families, as many were working from home with children or needing to provide care for other family members, and some working for extended periods in isolation or living on their own.

We are supporting our people by providing guidelines and leading practices for working virtually. To enable managers and teams to stay connected, we continue to provide support for key processes such as onboarding, performance management, as well as focusing our efforts on supporting mental wellbeing.

Throughout, our culture and Values have continued to be our compass, guiding our action and responses.

Our Values, which we refreshed in early 2020, have been our guide through the pandemic, ensuring we live our Purpose as an organisation and lead with empathy at all times.



More than ever, it is now key to offer our people an inclusive culture where they can come together to share feelings and challenges. Inclusion and diversity are at the heart of who we are, and we are committed to promote a culture where authenticity is valued, and open dialogue is encouraged.

- Adrienne McCarthy, Director,
People Performance and Culture,
KPMG in Malta



Empowering and connecting our teams through technology

With the technology and flexible working environments we have in place, our people were able to adapt to a virtual working environment in a matter of days. We have used our state-of-the-art technology platforms, helping us to ensure that when the time is right, our people can safely return to the office.

Ongoing learning is fundamental to our business and our people, and this has not changed as a result of the pandemic. During this period, we have further digitised our learning environment and we have seen an incredible uptake from our people with our virtual learning platforms. We continue to invest in our people's skills and capabilities, not only around our new solutions and the emerging technologies so critical in today's digital world, but also to reskill to meet the shifting demands of our firms' clients.

A Relentless Focus on Quality

Quality and integrity are the central, fundamental principles that underpin everything that we do.

Every audit, all of our business solutions, each piece of work we undertake — all are performed with integrity to meet our exacting and comprehensive standards for quality and consistency.

Our relentless focus on quality has never been more critical than in these uncertain and highly challenging times. There has never been a more necessary time for enhancing trust and confidence among investors, regulators, our clients, our people, capital markets and the communities in which we live and work.

We are on a continuous mission to drive sustainable improvements so as to continually uphold the highest levels of quality and trust in all areas of our work. The way we think about quality is rooted in our Values, led by our focus on integrity. In 2020, we set forth our refreshed Values that guide our behaviours and inform how we act and work with each other and the clients we work for.

Raising the bar

Across KPMG, we are investing in the quality of our processes, methodologies and systems to make sure the work that we do meets or exceeds the standards expected of both KPMG and our profession. A constant focus on quality allows us to continue to build trust and achieve our ambitious growth objectives.

There is no area of our business where quality is more important and where we are investing more than in audit.



With our Global Audit Quality Transformation we are raising the bar within a strong system of quality controls to become the most trusted and trustworthy firm. At every level, we have been re-evaluating our approach to audit quality, and that work continues.

-Noel Mizzi, Partner,
Head of Audit Operations,
KPMG in Malta



Tone at the top is fundamental to the core of the Audit Quality Framework's drivers and drives the right behaviours across the firm. That fundamental is central to my role as Country Head of Audit Quality.

-Hilary Galea-Lauri, Partner,
Country Head of Audit Quality,
KPMG in Malta

Our commitment to audit quality is encompassed by our Global Quality Framework, a comprehensive approach to outline how we deliver quality at KPMG, and how everyone at KPMG contributes to its delivery. With the Global Quality Framework as our guide, we continue to move forward with efforts to enhance all aspects of our drive for quality.

When the International Auditing and Assurance Standards Board (IAASB) recently approved a new and revised set of quality management standards, set to take effect in 2022, we were prepared. We not only support the new standards, we are investing and aggressively taking steps to implement them.

Investing in quality

As with every part of our business, technology is central to our global audit capabilities, and we are investing significantly in digitising audit through the KPMG Clara smart audit platform. KPMG Clara is cloud-based, running on Microsoft Azure and is a true game-changer. It enhances audit quality and consistency and seamlessly brings more data-driven insights to the audit.

When it comes to quality, it is rooted in our leadership and performance framework that reflects our Values and gives our people ownership over their contribution to upholding the highest levels of quality in their behaviour and everything we do.

Helping Our Clients Thrive

KPMG professionals delivering solutions for our clients' biggest challenges.

With all that has changed in 2020, one thing that has remained constant in KPMG is the passion of our professionals for delivering solutions to help clients with their biggest issues.

COVID-19 brought profound challenges to how we work and support our clients. We responded with an agile approach, accelerating technology rollouts, and optimising virtual working and collaboration to continue to serve clients. Clients asked us for insight and best practice to help them adapt to the new reality and we are proud to form part of a network where our perspectives have been ranked second among consulting firms by 150 senior global executives.¹

The need for technology-enabled solutions that empower businesses, public sector, and communities continues to accelerate. We are dedicated to helping our clients, with quality business-led and technology-enabled solutions, through the global crisis and beyond.

Source

¹ Source Global Research, "Content in the crisis"



We understand that 2021 will be a crucial year for our clients. Through our talent, expertise and tech-enabled solutions, we will support our clients in facing their greatest business challenges. I am thrilled that as an organisation, we have the opportunity to truly make a difference to the businesses and people we serve.

- David Pace, Partner, Head of Advisory,
KPMG in Malta



From start-up to growth: Helping private companies capture new opportunities

Family, venture-backed and privately-owned businesses are key drivers of the global economy. They come in all shapes and sizes, from early stage start-ups to multi-generational family conglomerates, each with their own specific opportunities and challenges. KPMG is dedicated to bringing all of the knowledge and resources of the firm to meet the multi-disciplinary needs of these businesses, as far ranging as digital transformation and talent management. KPMG is well renowned locally to help early stage start-ups secure funding and expand locally and internationally, and take their business to the next level. We regularly share the satisfaction of clients throughout their successful exit of a business they created, or in the important milestone of a succession transition for a family business. We are driven in our quest for inspiring and sustainable business architecture.

The Unstoppable Progress of Technology

We are making significant investments to drive both our own and our clients' digital transformation.

The unstoppable progress of digital technology is transforming every business, and as great as the impact has been to date, it is just getting started.

“COVID-19 has accelerated digital transformations and emerging technology initiatives. Investing in new technologies is no longer optional in the current business reality, there are now implications for survival and growth. Businesses need to shift their mindset and put digital at the core of their operations if they are to survive in the medium to long-term. While speed is crucial, it's equally important for one to take a disciplined approach that incorporates the entire business.”

- Marco J Vassallo, Partner, KPMG Digital Solutions

Businesses across all industries and markets are at different stages of their digital journey. Digital transformation is enabled by technology but requires business-wide change, across functions, processes and the way people work. KPMG professionals are, together with our alliances, working shoulder-to-shoulder with these forward-looking businesses to deliver innovative solutions that can meet these challenges and make the journey successful.

We are making significant investments in our own digital transformation, which strengthens our ability to support our clients on their own journeys. Across the global organisation we are creating a common digital platform so we can better collaborate and offer solutions to clients that help them benefit from rapidly developing technologies.

We don't invest in technology for technology's sake — the KPMG Digital Solutions team use technology to deliver sustainable and effective change for our clients, enabling their organisations, and ours, to become higher-performing, more resilient and secure, and to create more value.

Delivering on digital transformation

Digital transformation doesn't come in a box. It requires the ability to dig in and understand all aspects of the client's business. With that, an approach can be designed that encompasses the entire business and transforms legacy processes, including HR, IT, finance and sales amongst others. Our goal is to enable organisations to become a more future-focused enterprise, ready to drive growth.

We do that through our market-leading 'Connected. Powered. Trusted.' approach. KPMG Connected Enterprise helps clients rebuild their business around their customers to create a borderless organisation, where people and technology interact with new levels of productivity and value creation. KPMG Powered Enterprise helps them create a nimble, scalable business to harness the latest technologies, leading business practices and tested solutions for a smarter, faster path to the right operating model. And our Trusted offering helps clients proactively manage risk and regulation, from compliance and operationalisation to the transformation cycle.

Another thing that sets KPMG apart when it comes to digital transformation is the global organisation's focus on cyber security. Effective cyber security cannot be an afterthought or an add-on — it has to be integral to all aspects of digital transformation, from front-to back-office. In fact, our approach is to view cyber security as a way for businesses to gain a competitive edge — building in greater resilience and creating greater trust in their brands. Locally, we are investing in our own cyber teams and capabilities to protect our organisation and safeguard data that clients entrust to KPMG.

Ultimately, it takes people and technology working together to deliver sustainable and effective change. We continue to invest in our people so that they are technology-enabled, agile and connected in ways which will equip them to help our clients navigate the evergreen digital reality.

The Microsoft Power Platform - An Opportunity for Business?

Matt Payne, Solution Director, KPMG in the UK

Low-code / no-code platforms have transformed the potential to accelerate change, empower the business, and quickly and cost-effectively enable new capabilities.

This technology gives an organisation the opportunity to rapidly develop solutions for the business led by 'citizen developers' within the business who know and understand the business issues.

So is this a blessing in disguise for the Chief Information Officer, or an opportunity for the organisation to descend into an uncontrolled chaos of good intentions?

Regardless of where you are on your low-code journey, Microsoft Business Solutions can help you drive innovation and establish value from Microsoft's Power Platform whilst staying within your organisation's guardrails.

Harnessing an organisation's capability and creativity is undoubtedly a great idea. However, it needs to come with some governance and measures of control that can prevent the problems.

One platform, one engagement framework

At Microsoft Business Solutions we have developed a range of offerings to help you Envision, Accelerate, Deliver, Govern and Evolve your Power Platform journey.

Envision

A short engagement to ignite your interest in Microsoft's Power Platform. This is suitable for clients wanting to solve business or IT problems and are looking for an art-of-the-possible session. We share our experiences and level-set your team's knowledge.

Accelerate

A creative and rapid transformation engagement to deploy an impactful App in your environment. Using Design Thinking, Business Value and deployment best practice we work with you to conceive and realise transformational ideas deploying a production-ready App based on your prioritised use case.

Deliver

Outsourced work packages or augmented programme teams, our delivery services are for clients who already have a clear objective and scope in mind. We combine checkpoints with agility across the five powered phases; Vision, Validate, Construct, Deploy & Evolve.

Govern

Guidance, setup and operational hand-off of governance policies and community management to drive the innovation, delivery and evolution agenda including Centre of Excellence setup services. *Govern* creates and implements operational standards for empowering hero citizen developers, as well as deploying measures to safely build and distribute Apps supported by both IT and business sponsors.

Evolve

Managed services with continuous improvement, a closed innovation loop and an ongoing supportive relationship. *Evolve* Reduces risk, promotes service enhancements and knowledge sharing, operating within ITIL compliance and maintaining strong relationships with Microsoft.

Our opinion... Learn to control the force of the Power Platform!



This is an incredibly exciting development for our longstanding partnership. The coming together of the Microsoft Power Platform and KPMG's Powered transformation capabilities will result in delivering incredible outcomes for our customers...

- Dave Brown, Senior Director - Microsoft UK



Case Study - mateco - Working Towards Global Synergy

KPMG Microsoft Business Solutions

mateco is one of the leading suppliers of aerial work platforms for the rental market. Their rental fleet consists of over 30,000 machines, and they operate from more than 140 branches in Europe, South America and Asia.

Numerous acquisitions meant that various entities within mateco used different and disparate IT systems to manage the information of the various departments. This led to various inefficiencies in the management and control of the business operations, duplicated and incongruent data across departments as well as outdated information for decision makers, amongst other issues.

Undoubtedly, this increased the need for synergy across all entries and in order to achieve this, mateco called upon KPMG's expertise.

The Challenge

The biggest challenge that mateco faced in implementing the change needed to achieve its growth ambitions, was to find the right qualified and trained personnel. The project involved transforming the entire company, replacing both mateco's internal processes and IT systems. Adding to the complexity was the fact that this process had to be carried out not only within Europe, but also beyond; mateco had systems and local data in countries such as Mexico, Hungary, Poland, Luxembourg, The Netherlands, Belgium and the Czech Republic, all of which needed to be fully integrated.

In order to achieve this, mateco defined both the core and context processes. As mateco specialises in machine rental, they know better than anyone how the rental business works. For this reason, they developed their own integrated business application architecture for managing the primary mateco processes from within their own project organisation 'Q.one'. This includes applications for managing the rental process, a machine information system and their own field service application.

Implementation of Microsoft Dynamics 365
Microsoft Dynamics 365 was implemented for supporting business processes, such as finance, trade and back-office service management, and as a result of this implementation, a seamless integration was achieved between all these business processes.

The approach

For this digital transformation, Microsoft Dynamics 365 was the best choice for the company. Microsoft Dynamics is not only a tried and tested software, but it is also a cloud solution and therefore scalable, agile and easy-to-use. It was also easy to integrate with the Q.one application architecture. With the integration of Microsoft Dynamics, a core was developed that could then be rolled out across all the countries in which mateco operates. Each branch will use the same work processes when implementing Microsoft Dynamics. At group level, this provided much more insight into what was happening across the board.

Finding the right internal collaborations

The local KPMG offices in various countries, with staff who are highly proficient in both the English and the local languages, facilitated the collaboration between the local and central teams. KPMG's financial, tax and legal experts took care of the correct system configuration to ensure compliance with local regulations in each country.

Another team made up of both business and IT professionals supported the local mateco teams with data migration, testing and support after the platform went live. KPMG constantly sought for the best possible collaboration between the central and local teams as well as between the various development teams and the Microsoft Dynamics 365 team. This was one of the main challenges during the project. Most components of the solution, including the integration of the platform, had to be built from scratch.

It was therefore necessary to find the right balance between the flexible, autonomous progress of the agile development teams on the one hand, and the implementation team of the planned, predefined, targeted and centrally managed approach of an ERP solution on the other.

Balancing conflicting interests

Finding this balance was no easy task. Within the mateco project, two potentially conflicting interests played a role. Firstly, the solution had to be further expanded to include new and improved features. Secondly, the project had to go live in various countries. For this reason, the right mix had to be found to represent the interests of both the rollout team and the product development team.

The results

The implementation of Microsoft Dynamics 365 ensured:

- Internationally aligned business processes, saving time and money;
- Enhanced automation. Before the implementation, invoices were still entered manually. This has now been automated, allowing more time for employees to work at process level rather than at operational level;
- Better monitoring. The cost of ownership of a machine is now more transparent, making the costs and revenues of a machine across all business units – rental, service and trade – easier to understand. This allows for better decisions to be made as to whether a machine should be repaired or written off;
- A single database for all spare parts, in all the different countries. These were previously different systems, which complicated the transaction process between the various countries. Synergy has now also been created here, which means that the article status only needs to be updated once rather than in each individual country.

Contacts

KPMG in Malta

Partners

Hermione Arciola

Partner, Advisory Services
+356 2563 1106
hermionearciola@kpmg.com.mt

John Ellul Sullivan

Partner, Tax Services
+356 2563 1154
johnellulsullivan@kpmg.com.mt

Juanita Brockdorff

Partner, Tax Services
+356 2563 1029
juanitabrockdorff@kpmg.com.mt

David Caruana

Partner, Advisory Services
+356 2563 1136
davidcaruana@kpmg.com.mt

Clifford Delia

Partner, Accounting Support Services
+356 2563 1116
clifforddelia@kpmg.com.mt

Jonathan Dingli

Partner, Advisory Services
+356 2563 1405
jonathandingli@kpmg.com.mt

Claude Ellul

Partner, Audit Services
+356 2563 1103
claudeellul@kpmg.com.mt

Doreen Fenech

Partner, Tax Services
+356 2563 1017
doreenfenech@kpmg.com.mt

Hilary Galea-Lauri

Partner, Head of Audit - Audit Quality
+356 2563 1007
hilarygalea-lauri@kpmg.com.mt

Noel Mizzi

Partner, Head of Audit - Operations
+356 2563 1014
noelmizzi@kpmg.com.mt

Anthony Pace

Partner, Head of Tax
+356 2563 1137
anthonypace@kpmg.com.mt

David Pace

Partner, Head of Advisory
+356 2563 1160
davidpace@kpmg.com.mt

Giles Schembri

Partner, Audit Services
+356 2563 1100
gillesschembri@kpmg.com.mt

Marco J. Vassallo

Partner, Advisory Services
+356 2563 1140
marcovassallo@kpmg.com.mt

Simon Xuereb

Partner, Tax Services
+356 2563 1147
simonxuereb@kpmg.com.mt

André Zarb

Country Senior Partner
+356 2563 1004
andrezarb@kpmg.com.mt

Tonio Zarb

Partner, Advisory Services
+356 2563 1141
toniozarb@kpmg.com.mt

Directors

Justin Axiaq

Director, Audit Services
+356 2563 1259
justinaxiaq@kpmg.com.mt

Alex Azzopardi

Director, Advisory Services
+356 2563 1102
alexazzopardi@kpmg.com.mt

Ariane Azzopardi

Director, Infrastructure - Risk Compliance
+356 2563 1122
arianeazzopardi@kpmg.com.mt

Christopher Azzopardi

Director, Audit Services
+356 2563 1077
christopherazzopardi@kpmg.com.mt

Sean Azzopardi

Director, Audit Services
+356 2563 1224
seanazzopardi@kpmg.com.mt

Claudine Borg Azzopardi

Director, Advisory Services
+356 2563 1878
cborgazzopardi@kpmg.com.mt

Giselle Borg

Director, Advisory Services
+356 2563 1126
giselleborg@kpmg.com.mt

Thane Micallef

Director, Audit Services
+356 2563 1209
thanemicallef@kpmg.com.mt

Kevin Mifsud

Director, Audit Services
+356 2563 1089
kevinmifsud@kpmg.com.mt

Russell Mifsud

Director, Gaming Services
+356 2563 1044
russellmifsud@kpmg.com.mt

Malcolm Pace Debono

Director, Advisory Services
+356 2563 1601
mpacedebono@kpmg.com.mt

Paul Pace Ross

Director, Tax Services
+356 2563 1119
paulpaceross@kpmg.com.mt

Lisa Zarb Mizzi

Director, Tax Services
+356 2563 1182
lisazarbmizzi@kpmg.com.mt

Contacts

KPMG Microsoft Business Solutions

Malta

Kundan Prakash

Delivery Centre Director
+91 998 5557408
kundanprakarsh@kpmg.com

Paul Rogers

International Development Director
+44 207 3114153
paul.rogers@kpmg.co.uk

Nataline Mifsud

Group HR Director
+356 79708144
nataline.mifsud@kpmg.co.uk

James Bonello

Malta Client Services Director
+356 79374534
james.bonello@kpmg.co.uk

KPMG

92, Marina Street,
Pietà PTA 9044,
Malta

Tel: +356 2563 1000

Email: kpmg@kpmg.com.mt

Microsoft Business Solutions

Lignum House,
Aldo Moro Road,
Marsa MRS 9065,
Malta

Tel: +356 2124 2121

Email: mbs-mtexec@kpmg.com

kpmg.com.mt

Follow KPMG in Malta:



© 2021 KPMG, a Maltese civil partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.