Model review

We have a proven methodology and tools for reviewing and validating models to provide confidence in its use.

KPMG's Model Review Tool is our proprietary software, developed in-house. It is used to efficiently review logic and calculations, create maps of model dependencies, and generate reports that highlight best practice issues, errors and inconsistencies.

Full review
A detailed independent review of the unique formulae, maps, logic, best practices and documentation of the model. This enables a fit-for-purpose model sign off.

High-level review
An independent review of the overall build quality and structural soundness of the client's model against best practices.

Agreed-upon procedures
A review focused on specific areas of concern or high risk aspects of the model, as agreed with the client.
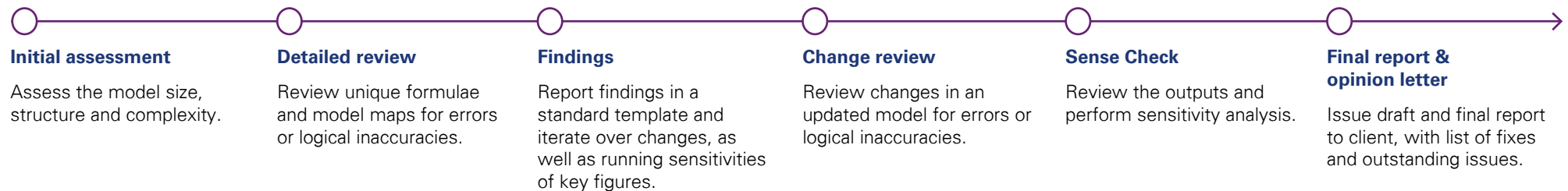
Compliance
A test of inputs, calculations and outputs against contractual requirements to provide confidence that key terms have been accurately reflected in the model.

Our approach

We have developed a structured and iterative approach for independent reviews to ensure that issues are raised, tracked and addressed in an efficient manner.

Initial assessment	Detailed review	Findings	Change review	Sense Check	Final report & opinion letter
Assess the model size, structure and complexity.	Review unique formulae and model maps for errors or logical inaccuracies.	Report findings in a standard template and iterate over changes, as well as running sensitivities of key figures.	Review changes in an updated model for errors or logical inaccuracies.	Review the outputs and perform sensitivity analysis.	Issue draft and final report to client, with list of fixes and outstanding issues.

A closer look at MRT

MRT is a review tool used by our trained specialists to analyse spreadsheets and raise issues, errors and inconsistencies in a clear manner. Typical findings include:

— Inaccurate formulae or calculations

— Poor model structure and lack of consistency

— Separation of inputs, calculations and outputs

— Missing checks, validations or documentation