



MEDIA AND ENTERTAINMENT

Forensic services

Helping to protect your business from fraud,
misconduct and non-compliance

ADVISORY



The Indian Media and Entertainment industry is one of the fastest growing sectors in the country, riding on the back of a buoyant economy and extremely favourable demographics. However, growth has also brought along some risks pertaining to inadequate controls and complex delivery models. New content and delivery formats, which have emerged in the industry, have brought along complexities in tracking and sharing revenue due to maze of IT systems deployed. In addition, informal nature of the industry leaves little room to install controls, which normally would be essential in a production environment, making businesses vulnerable to internal and external frauds.

KPMG's Forensic team can help

KPMG's Forensic team helps clients protect their business from fraud, misconduct and non-compliance, which in turn helps organisations reduce reputation risk and commercial loss. We do this by providing independent, proactive and responsive services by effectively utilising our investigative, accounting and technology skills. The practice has, over time, evolved into a team of over 350 professionals, each one bringing in not only rich and extensive experience, but also a competitive and specific skill set.

Has your organisation experienced fraud, misconduct or corruption?

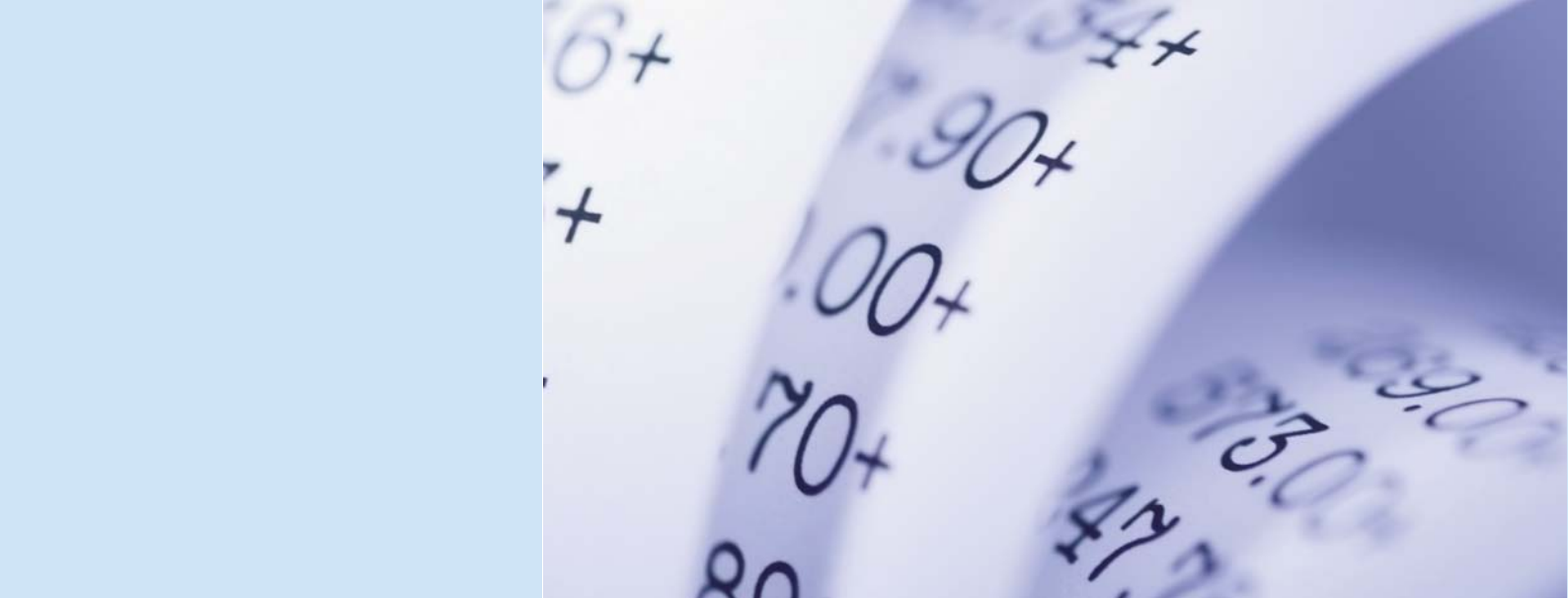
Fraud and misconduct investigation

KPMG ForensicSM has undertaken some of the largest financial fraud investigations across industry segments and we can assist organisations in solving a range of fraud and misconduct situations. With over 150 dedicated professionals, our team is one of the largest investigative teams in the country. Our team consists of professionals from diverse backgrounds, including qualified accountants; certified fraud examiners (CFE); former police officers (FPO); management graduates; forensic technology professionals; field investigators and social workers. Our experience of working on over 400 investigations across industry verticals and businesses helps us customise strategies to suit a cross section of organisations that have been hit by fraud.

Theft of sensitive data and information

Media and entertainment industry is a highly competitive industry. Ideas, strategy documents or scripts/ screenplays if stolen can result in losses running into crores of rupees. KPMG Forensic has the skills and capabilities to assist media companies trace, detect and potentially prevent such theft. Through our multidisciplinary skills of forensic technologists and market intelligence cultivators, we have assisted companies in different industry sectors with similar issues. In certain cases, our reports have assisted companies with court injunctions preventing the recipient of stolen information from using it commercially.





Digital content review

Revenue leakage is a serious issue for digital content owners. Having multiple partners with different revenue and payment models along with varied delivery mechanisms make it difficult to implement the right controls to keep track of the revenue earned. Moreover, self-reporting models on revenue reporting put a question mark on reliability of such reports. KPMG can help conduct independent third party audit of business partners for completeness and accuracy of the revenue sharing reports on behalf of the content owner or the content aggregator. We can also help in evaluating the technology and processes used for creating, storing, delivering and billing of digital content for clients.

Process validation

We help clients render credibility to their events and awards, by validating the functioning of their processes. This is done through a thorough review exercise of delving into their technology and offline processes, with the objective of helping them confirm that there is no undefined bias in the selection or elimination process. We also help clients address any allegations of misconduct that might get raised against the process followed for the event/awards. We can also assist clients with law enforcement interface and provide litigation support and expert witness, should the matter go legal.

Fraud risk and loss management

Organisations frequently fail to recognise their vulnerability to fraud and misconduct until they become victims. KPMG's approach to fraud loss management helps directors, internal auditors and risk managers assess where their organisation is vulnerable to fraud and how to cut fraud loss. We have assisted many clients to understand the fraud risks they face, evaluate existing counter-measures, train staff and develop effective antifraud policies, systems and controls. Our aim is not only to provide greater protection against the threat of fraud but also to actually reduce the losses due to fraud.

Do you want to know the background of your vendor, employee or business associate?

Pre-employment screening

Pre-employment screening is a way to discover important information that can influence the hiring decisions you make. KPMG conducts professional and impartial background checks on employment candidates without violating their privacy. We help you base your hiring decisions on facts and not on job seekers' representations or disclosures. These checks include employment checks, education checks, reference checks, criminal checks, etc.

Know your vendor/ business associate

We can provide investigative due diligence to organisations seeking to screen prospective vendors and or business associates, for red flags. Awareness of the backgrounds, past performance, reputation and history of vendors/ business associates can help organisations proactively decide or plan on their relationship with them. Having vendors/ business associates who conduct themselves ethically and lay emphasis on quality in their performance and behaviour, organisations can help reduce their own exposure to liability, litigation, audits, financial loss and government investigations.

Are you embroiled in a commercial dispute?

Quantification of losses/ claims

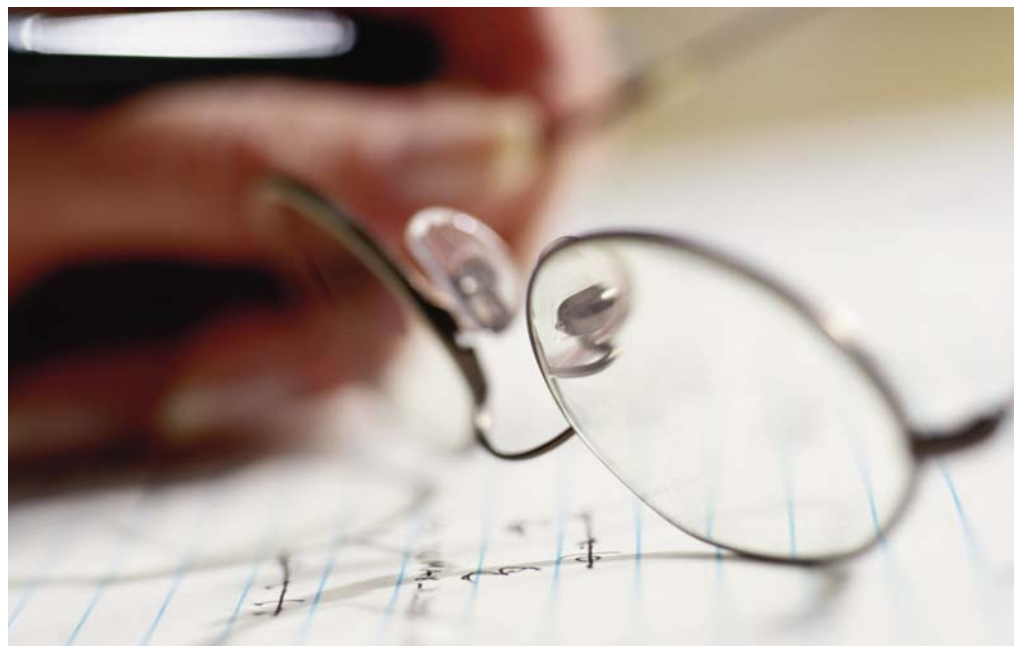
We help clients explain and support their positions on damages with a robust and credible quantification; we provide advice on the reasonable range of damages. This encompasses both financial liability and various aspects of valuations, on various direct and downstream revenue streams and costs. We can advise where there is a completion dispute, accounts dispute, performance of an acquired business is questioned, or the viability of a claim. We help to present the case simplistically and effectively whether in the dispute resolution process or in settlement negotiations.

Expert Witness

KPMG's Forensic team offers advice and expert witness services in connection with claims for consequential loss arising from a variety of business disruptions such as breach of contract. Our compelling and easy to understand reporting of facts, opinions and conclusions are supported by credible, robust written and / or oral evidence. We have testified as expert witnesses and have helped many large organisations bring independent credibility to their claims.

E-discovery

KPMG's e-discovery capabilities can help ensure immediate and convenient access to evidence for review by legal teams and clients, irrespective of format and volume. We collect, manage and process paper and electronic records. We also provide a variety of review tools to enable fast and cost effective review of relevant material.



Select credentials

Dispute resolution

A large media company engaged KPMG to help draw up an expert accountant's report on the losses suffered by it due to a change in the regulatory environment around broadcasting. This change had impacted amount of the license fee they would need to pay the licensor of the sports broadcasting rights. As a result of the work we did, our client was able to get a USD 75 million reduction in license fee making their business model viable again.

Employee background check

KPMG Forensic conducts over 20,000 checks per month. We have a 500 seater dedicated verification hub in Pune and conduct employee background checks for our clients across industry sectors. We provide past employment, reference, drug, database, education, address and criminal checks.

Irregularities in outdoor media account

One of the leading FMCG companies suspected that there were financial irregularities in the outdoor media deals. KPMG was engaged to conduct the investigation into the matter. Our investigation was successful in uncovering the financial irregularities prevalent in the outdoor media account and we also helped identify the employees/ entities involved.

Process validation

KPMG has been a process validator for a number of events and reality shows. This includes popular programmes like "Kaun Banega Crorepati"; "Kya Aap Paanchvi Pass Se Tez Hain"; "Nach Baliye"; "Big Boss" "Teacher's Achievement Awards"; "Marie Claire Fashion Awards". KPMG helped the client with validating the process, both on the technology and offline platforms.

Data theft investigation

The Group CEO of a listed media company suspected that confidential and critical information of their company was compromised. We conducted imaging of the server's hard drive and found that confidential financial data was deleted. We also found highly sensitive information was carried out via external storage media.

Supplier kickback

Our client, a leading media house, suspected that some of their event management vendors were quoting higher than market rates. KPMG Forensic was engaged to carry out investigative procedures to gather external evidence and intelligence to ascertain whether the suspicions are valid.

During our investigation modus operandi for payment of kickbacks was established. We also helped identify individuals/ entities involved in unethical practices.

Digital content reviews

A leading records company requested KPMG to conduct a review of the royalty shared by a telcom content aggregator. We identified revenue leakages in the systems. This assisted our client to recover revenues from the telecom company and content aggregators. and helped the parties to improve controls to prevent revenue leakages.

Integrity due diligence

KPMG's Forensic team has completed over 300 integrity due diligence/ background check reports covering companies and entities across industries. Work carried out includes ascertaining the reputation and business practices followed, verifying the credentials and capability of company and its management as well as any negative information or red flags in the public domain.

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