

# A comparison of the Big Four Professional Service Firms

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SNF



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## **A comparison of the Big Four Professional Service Firms**

by

Ingeborg Louise Gustavsen  
Mathias Hove Zimmer

SNF Project No. 4285

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## **Preface**

This working paper is part of the FOCUS/Cross-border Value Creation (CiBiViCi) research program. The overall aim of the program is to study how firms organize their international activities to create cross-border value creation. Professional Service Firms (PSF) represent one type of firms in this program. The purpose of this working paper is to provide a description of the Big Four PSFs: PwC, EY, KPMG and Deloitte. The working paper is based on publicly available information. Ingeborg Louise Gustavsen and Mathias Hove Zimmer have collected, structured and summarized the information.



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# 1 Introduction

## 1.1 Who is this report for

The report is part of the FOCUS/CiBiViCi research program. The purpose is to provide a description of the Big Four Professional Service Firms (PSF): PwC, EY, KPMG and Deloitte. The report is thus a source of information for researchers and others wanting to know more about the Big Four PSF.

## 1.2 The structure of the report

The report is structured in four parts:

Part 1: An introduction of the report and the implications of the gathering of data.

Part 2: An overview of the Big Four PSF, including their history, revenue, values, services and industries.

Part 3: A deeper description of how the PSF create value.

Part 4: A comparison of the PSF based on the information presented in part 2 and 3

In the data collection phase, we have structurally looked in to several Norwegian and international newspapers, made Google searches and used Atekst Retriever, in addition to closely looking at the companies local and global homepage, annual reports and transparency reports. Further, we have used proff.no, wikipedia, snl.no and employee/internship blogs and videos to verify and complement the information gathered from other sources.

## 1.3 Implications

In the collection of data material, we have observed that the four companies' local and global homepages are somewhat inconsistent. These inconsistencies have made it complicated when presenting the data material in this report. The homepages are inconsistent in several ways:

- Names and content of the different services areas differ
- In the Norwegian homepage regarding services and industries the information in the English language version vary from the Norwegian language version of the homepage

Further, it is not completely clear how different services are placed under each company's main service lines. For example, the services listed on some of the companies' homepage is not consistent with what is presented in the annual report.

Other implications: The information provided by the companies' websites, on different aspects, vary in amount and depth, making it hard to provide a perfectly correct comparison.

## 2 The “Big Four”

This chapter is a presentation of the Big Four Professional Service Firms PwC, EY, KPMG and Deloitte. The information gathered is based on the companies own websites, and the information included is: about the company (history and revenue), their vision and values, the services they provide, and the industries they operate in.

### 2.1 PwC

#### 2.1.1 About PwC

Based on a wide range of expertise, PwC seeks to build trust and promote good governance among their clients, and positively impact their ability to create value and develop further. They set high standards for how they work, and through the quality of their deliveries, broad expertise, high integrity and honesty, PwC aim to be Norway’s preferred partner in audit and advisory services.

PwC describes quality and independence as crucial to the company's progress and brand. They commit significant resources to strengthen and secure this further, including competence development of their employees and the development of systems and processes.

<https://www.pwc.no/en/about-us.html>

Globally, PwC are located in 157 countries with more than 223 000 people working for them. They provide services to a variety of the leading companies, both private, public and voluntary organizations and government authorities. PwC Norway consist of 27 offices, 1 681 employees, and have their Norwegian headquarter in Oslo.

<https://en.wikipedia.org/wiki/PricewaterhouseCoopers>

#### History

PricewaterhouseCoopers (PwC) was established in 1998 with the merger of Price Waterhouse and Coopers & Lybrand. The history of Price Waterhouse trace back to 1849, established by Samuel Lowell Price, and Coopers & Lybrand’s history go back to 1854 when William Cooper established the firm. PwC originated in London, and that is also where the global headquarter is located. The two companies incorporated in Norway in 1971 and 1963, respectively.

<https://www.pwc.no/no/om-oss/historie.html>

## Revenue

The accounting figures for PwC Norway refer to the accounting year ending June 30th 2017 (FY16/FY17).

|  |                          |
|--|--------------------------|
| <b>PwC Norway's total revenue in 2017:</b> | <b>2 689 million nok</b> |
| Assurance:                                 | 1 316 mnok (49%)         |
| Advisory:                                  | 945 mnok (35%)           |
| Tax and legal:                             | 428 mnok (16%)           |

|  |                          |
|--|--------------------------|
| <b>Total revenue from services to audit clients:</b> | <b>1 305 million nok</b> |
| Audit:   | 1060 mnok (81%)          |
| Assurance and related services:                      | 34 mnok (3%)             |
| Tax advisory:  | 44 mnok (3%)             |
| Other services:                                      | 167 mnok (13%)           |

<https://www.pwc.no/no/om-oss/pwc-aapenhetsrapport-2017.pdf>

### PwC Global's total revenue by areas in million dollars:

|            | <b>FY15</b>       | <b>FY16</b>       | <b>FY17</b>       |
|------------|-------------------|-------------------|-------------------|
| Assurance: | \$15.177M         | \$15.280M         | \$15.965M         |
| Advisory:  | \$11.235M         | \$11.531M         | \$12.253M         |
| Tax:       | \$8.944M          | \$8.085M          | \$9.462M          |
| Total:     | \$35.356M (+9,9%) | \$35.896M (+7,3%) | \$37.680M (+6,5%) |

FY17 revenues are the aggregated revenues of all PwC firms and are expressed in US dollars at average FY17 exchange rates. FY16 aggregated revenues are shown at average FY16 exchange rates. FY15 revenues are the aggregated revenues of all PwC firms and are expressed in US dollars at average FY15 exchange rates. The % change is at constant ex. rates.

PwC Global increased its revenues by seven percent in 2017 - the 20th consecutive year with revenue growth. The growth is driven especially by the advisory business where the increase from FY15 to FY16 was 8,3% and 7,9% from FY16 to FY17.

<https://www.pwc.com/gx/en/about/global-annual-review-2017/how-we-are-doing/revenues.html>

<https://www.pwc.com/gx/en/about/global-annual-review-2017.html>

<https://www.pwc.com/gx/en/global-annual-review/assets/pwc-global-annual-review-2014.pdf>

<https://www.pwc.com/gx/en/about-pwc/global-annual-review-2015/campaign-site/pwc-global-annual-review-2015.pdf>

<https://big4accountingfirms.com/the-blog/pwc-revenue/>

<https://aksjelive.e24.no/article/p7Rj1?offset=10>

Accounting is a strategic growth area for PwC Norway and is expected to contribute to the company's growth in the future. The revenue for Accounting was in 2016 NOK 86 181 and NOK 99 687 in 2017.

<https://www.pwc.no/no/publikasjoner/aarsrapport-pwc-2017.pdf>

### **2.1.2 Vision and values**

PwC's vision is to be the leading consultancy firm in Norway. This vision demands quality in the services they provide, and that quality is part of PwC's strategic goal on their way of being acknowledged as leading on quality and effectiveness.

A prerequisite for fulfilling the role as auditor and advisor in a good way, is that PwC has to build an organization based on good values. By including 140 000 PwC employees from all over the world the company came up with five new core values. These values reflect who PwC wants to be and where they want to be heading. The core values are supposed to help PwC work together to create trust in the society and solve important problems. The five core values are listed below:

- *Act with integrity:* PwC wants employees to stand up for what's right, especially when it feels difficult. Expect and deliver top quality, and make decisions and always act as if their own reputation is at stake.
- *Make a difference:* Everyone in the company should be up to date and curious about how technology and trends affect society. This enables quick responses and adaptation to changes, which will make the company able to create significant results for its employees, customers and the society.
- *Care:* PwC strives to understand the person behind the role, and make sure they develop the individual in areas important for them. This will lead them to support their employees in a way that brings out the best in every single person.

- *Work together:* In working together, PwC seeks to collaborate and share relationships, ideas and knowledge. This includes seeking and integrating multiple perspectives, and give and ask for feedback to improve.
- *Reimagine the possible:* Being open minded and seeking opportunities in every idea, where employees rejoice and learn from their mistakes and have courage to challenge in meaning and action.

<https://www.pwc.no/no/om-oss/pwc-aapenhetsrapport-2017.pdf>

The PwC culture thrives supported by a framework of internal and external expectations and requirements. These help guide their behaviours and build trust:

- In how we do business
- With each other
- In our communities
- In how we use information

<https://www.pwc.no/no/om-oss.html>

### **2.1.3 Services**

PwC delivers services through mainly three service lines: Assurance, Consulting/Advisory and Tax & Legal.

#### **Assurance**

PwC's main objective is increased trust in financial information, in addition to good management and control. By concentrating the audit on the areas with the greatest risk, an effective and sound audit is ensured. PwC's auditors invest a lot of time in understanding the companies' value creation processes and internal procedures which strengthens the quality of their financial statements. PwC strive to be a valuable discussion partner by combining own expertise and the understanding of how their customers work, create value and run their processes.

Services PwC offers within Assurance:

Audit for other areas than financial statement, simplified auditor review of interim financial statements, agreed-upon reviews, IFRS - conversions to and adapting to changes in regulations,



assistance with direct and indirect taxes, accounting and financial management, auditing of financial statements (for more information about the services within Assurance, see appendix)

<https://www.pwc.no/en/tjenester/revisjon-og-bekreftelser.html>

### **Consulting/Advisory**

Through PwC's consulting service they try to increase clients competitiveness and help them make the right decisions to reach their goals.

The consulting service help companies find more effective solutions and enable them to make better decisions. Through PwC's network and expertise, they want to bring global knowledge to local solutions, and in that way help companies obtain a better strategy and business plan, succeed in streamlining, improve IT control, and make more accurate risk assessments.

PwC offers these services within Consulting:

Business technology, Financial effectiveness, People and organisation, Performance and Information Management, Strategy and operations, Policy and economics, Assistance in public investment processes, Cybersecurity og informasjonssikkerhet, Change Management and Communication, and Global Mobility. (for more information about these services, see appendix)

<https://www.pwc.no/en/tjenester/consulting.html>

### **Tax & Legal (Advokatfirmaet PwC)**

PwC is one of the world's largest corporate, tax and fee networks. They supply unique access to national expertise, no matter what country you are looking at. PwC have specialized expertise in tax and business law issues. Changes in the market, especially globalization, contribute to new challenges. PwC Tax's main role is to solve three conditions for their clients. First, they help them to comply with relevant tax regulations. Secondly, their advice will ensure the client at least as low tax expense as their competitors. Third, it is their role as advisors to inform clients about the consequences different choices may have for their reputation and perceived integrity.

PwC help clients in four different areas; Legal, tax, people and organization, and VAT, customs and excise duties. (For more information about these services, see appendix)

<https://www.pwc.no/en/tjenester/advokatfirmaet-pwc.html>

## **Other Services**

In addition to the main services Assurance, Advisory and Tax & Legal, PwC Norway offers other services like: Deals, Forensic Services, Capital Market Services, Risk Advisory Services, and Accounting. See appendix for more information.

<https://www.pwc.no/no/tjenester.html>

### **2.1.4 Business areas and industries**

The business areas and industries PwC operate in are: bank and finance, energy, health, industry and commerce, oil and gas, public sector, real estate, shipping, and telecom and media. (see appendix for more information)

<https://www.pwc.no/en/bransjer.html>

### **2.1.5 Clients**

In the appendix there is a full list of PwC Norway's audit clients that are of public interest.

## **2.2 EY**

### **2.2.1 About EY**

EY is committed to build a better working world - with increased trust and confidence in business, sustainable growth, development of talent in all its forms, and greater collaboration.

<https://www.ey.com/no/no/about-us/our-people-and-culture/our-history/about-ey---key-facts-and-figures---history>

EY wants to build a better working world through their own actions and by engaging with like-minded organizations and individuals. This is EY's purpose — and why they exist as an organization. EY wants to use their global reach and scale to convene the conversation about the challenges facing economies and the capital markets. EY's idea is that “When business works better, the world works better.”

<https://www.ey.com/no/no/about-us>

## **History**

EY was founded in 1989 in England through the merger of Ernst & Whinney and Arthur Young & Co. The company was then called Ernst & Young. Ernst & Young rebranded themselves to

EY in 2013 and their headquarter is located in London. Today the company have operations in 151 countries all over the world.

<https://betterworkingworld.ey.com/purpose/global-review-2017>

The founders, Arthur Young and Alwin C Ernst formed their own accounting firms in the US in 1906 and 1903 respectively. They were both innovators and appreciated the importance of quality in their work. Both companies were quick to enter the global marketplace and established alliances with British firms as early as in 1924. Young and Ernst never met before they died in 1948, but their philosophies were brought on in today's organization, consisting of more than 250 000 people globally.

<https://www.ey.com/no/no/about-us>

## Revenue

The accounting figures for EY Norway refer to the accounting year ending June 30th 2017 (FY16/FY17).

|                                      |                          |
|--------------------------------------|--------------------------|
| <b>Total revenue EY Norway:</b>      | <b>2 968 million nok</b> |
| Assurance:                           | 1 313 mnok (44%)         |
| Advisory:                            | 803 mnok (27%)           |
| Tax:                                 | 579 mnok (20%)           |
| Transaction Advisory Services (TAS): | 273 mnok (9%)            |

|  |                          |
|--|--------------------------|
| <b>Total revenue from services to audit clients:</b> | <b>1 521 million nok</b> |
| Audit:   | 1 164 mnok (77%)         |
| Assurance and related services:                      | 52 mnok (3%)             |
| Tax:   | 162 mnok (11%)           |
| Other services:                                      | 144 mnok (9%)            |

[https://www.ey.com/Publication/vwLUAssets/EY\\_2017\\_Åpenhetsrapport/\\$File/EY-2017-åpenhetsrapport-norge.pdf](https://www.ey.com/Publication/vwLUAssets/EY_2017_Åpenhetsrapport/$File/EY-2017-åpenhetsrapport-norge.pdf)

Revenue for EY Norway's business year 2017 was 2 968 mnok, while total revenue for the previous year was 2 724 mnok. This is an increase of almost 9%.

[https://www.ey.com/Publication/vwLUAssets/EY-aarsrapport-FY17/\\$File/EY-aarsrapport-FY17.pdf](https://www.ey.com/Publication/vwLUAssets/EY-aarsrapport-FY17/$File/EY-aarsrapport-FY17.pdf)

**EY Global’s total revenue by areas in million dollars:**

|            | <b>FY15</b>        | <b>FY16</b>       | <b>FY17</b>       |
|------------|--------------------|-------------------|-------------------|
| Assurance: | \$11.348M          | \$11.301M         | \$11.632M         |
| Advisory:  | \$7.285M           | \$7.846M          | \$8.526M          |
| Tax:       | \$7.487M           | \$7.751M          | \$8.179M          |
| TAS:       | \$2.535M           | \$2.728M          | \$3.057M          |
| Total:     | \$28.665M (+11,6%) | \$29.626M (+9,0%) | \$31.404M (+7,8%) |

The business area with the largest growth increase has been TAS, with a growth ratio of 14,2% from FY15 to FY16 (% change in local currency) and 15,5% from FY16 to FY17 (% change local currency). Advisory has a growth ratio of 13,1% from FY15 to FY16 (% change local currency) and 10,4% from FY16 to FY17 (% change local currency).

[https://www.ey.com/Publication/vwLUAssets/EY\\_Global\\_review\\_2015/\\$FILE/EY\\_Global\\_review\\_2015.pdf](https://www.ey.com/Publication/vwLUAssets/EY_Global_review_2015/$FILE/EY_Global_review_2015.pdf)

<https://www.ey.com/gl/en/about-us/our-global-approach/global-review/global-review-2016-facts-and-figures>

<https://betterworkingworld.ey.com/global-review-2017/facts-and-figures>

**2.2.2 Values, purpose, culture**

EY wants to be people who demonstrate *integrity, respect and teaming*. People with *energy, enthusiasm, and the courage to lead*. And people who build relationships based on doing the right thing. These are EY’s values and define who they are, and are the fundamental beliefs of their global organization.

EY’s purpose is to “Build a better working world”. Through their global awards program, “Better begins with you”, enables EY’s people to recognize and celebrate individuals and teams within their organization who consistently live the EY values and bring their purpose of building a better working world to life through their everyday behavior, which in turn makes an impact on EY’s clients, people and communities. This program is an important way in which EY are building their shared culture, founded on strong commitment to their values.

[https://www.ey.com/no/no/about-us/our-values/2020-vision\\_our-values](https://www.ey.com/no/no/about-us/our-values/2020-vision_our-values)

EY aspires to have a leading people culture everywhere in the world. Creating a culture that attracts and retains outstanding people and helps them thrive leads to better service for EY's clients. EY is investing in three key elements of their culture that enhance what is important to their clients and their people:

- *Inclusiveness*: Recruiting outstanding people is just the start. Inclusiveness means making sure all their people's voices are heard and valued. This not only helps attract and retain the best people, but also it helps get better answers for their clients and their organization.
- *Development*: EY's approach to development involves offering the learning, experiences and coaching all EY's people need to enrich their careers and deliver the best results for clients, as well as offering additional programs for current and future leaders of their organization.
- *Engagement*: EY want all their people to feel enthused by their work and their colleagues and to be comfortable in an organization that gives them the flexibility to achieve their professional and personal aspirations. EY engage their people in countless ways, from selecting the right people to lead major change, to taking an interest in their people as individuals, to being sure to say thank you for a job well done.

[https://www.ey.com/no/no/about-us/our-people-and-culture/2020-vision\\_our-people-21st-century-workforce](https://www.ey.com/no/no/about-us/our-people-and-culture/2020-vision_our-people-21st-century-workforce)

### **2.2.3 Services**

The main service lines offered by EY include: Assurance, Tax and Law, Advisory and Transaction Advisory Services (TAS).

#### **Assurance**

EY Assurance helps clients understand and address today's most critical financial and reporting issues.

EY have invested US\$1.2 billion over the last three years to make EY a global organization for global clients. EY uniquely offers multidisciplinary insights across geographies, minimizing risk of conducting business in multiple cultures and jurisdictions, so they can help clients efficiently navigate the global regulatory landscape. With a common, consistent strategy and structure, EY serve their global and local clients with the same intensive focus on quality.

EY offer a team of experienced professional specialists based on, among other things, auditing, internal control, law firm, police/prosecution and supervisory authorities. With EY's interdisciplinary team, wide experience across industries and proficiency in the field of expertise, they can adapt their assistance to the clients needs.

EY provide the following assurance services: Accounting compliance and reporting, climate change and sustainability services, financial accounting advisory service, financial statement audit, and fraud investigation & dispute services.

<https://www.ey.com/no/no/services/assurance/about-assurance-services>

### **Tax & Law**

EY is one of the world's most globally coordinated tax practices, with a network of 29,000 professionals in more than 140 countries dedicated to setting the standard for exceptional client service. EY's Tax practice is organized across geographic areas and business lines to deliver services seamlessly to their clients. EY's people and global resources are able to help clients develop and execute business strategies quickly and effectively, with strong accountability and governance. Their practitioners blend local country technical knowledge with appropriate regional and global insight on the latest developments in tax policy, legislation and administration.

EY places particular emphasis on the most pressing issues facing companies worldwide today and the services provided by EY within Tax and Law are the following: Global compliance and reporting, Transfer pricing, Human capital, Supply chain and process improvement, Indirect taxes, and Tax policy and controversy. (For more information about these services, see appendix)

<https://www.ey.com/no/no/services/tax/about-our-global-tax-services>

## **Advisory**

EY Advisory is continually seeking better ways of working as they collaborate with clients to help them solve their complex industry issues and capitalize on opportunities to grow, optimize and protect their businesses. EY's collaborative approach, combined with their global connectivity and understanding of industry issues, inspires them to ask better questions, design better answers and realize long-lasting results.

Within Advisory, EY offers services within these 13 areas:

Actuarial, Customer, Cybersecurity, Finance, Financial service risk management, Internal audit, People Advisory services, Program management, Risk assurance, Risk transformation, Strategy, Supply chain and operations, and Technology. (For more information about the services, see appendix)

<https://www.ey.com/no/no/services/advisory>

## **Transaction Advisory Services (TAS)**

EY helps clients drive inclusive growth by focusing on their capital and transaction strategy through to execution to drive fast-track value creation. In a rapidly changing, increasingly digital and disrupted business environment, EY supports the flow of capital across borders, help bring new products and innovation to market, and enable organizations to reshape themselves for a better future.

Services EY offers within TAS is: Lead Advisory, Divestiture Advisory Services, Restructuring, Operational Transaction Services, Transaction Diligence, Transaction Tax, and Valuation & Business Modelling.

<https://www.ey.com/no/no/services/transactions>

<https://www.ey.com/gl/en/services/transactions>

### **2.2.4 Business areas and industries**

To ensure that EY can assist in sector-specific challenges, they have gathered their leading competence in core groups. Businesses often encounter issues that at the same time relate to auditing, consulting, transactions and tax. Therefore, the sectoral groups in EY consist of representatives from all their business areas. The groups are linked to the global competence centers where they exchange experiences between the countries and keep updated on the latest sector news.

EY Norway work in 17 different industries: Banking, Real estate, Hospitality and Construction, Fishing & Seafood, Insurance, Consumer products & Retail, Industrial products, Automotive & Transportation, Wealth & Asset management, Power & Utilities, Media & Entertainment, Oil & Gas, Private equity, Government & Public sector, Technology, Telecommunications, Transport, and Shipping & Offshore.

(For more information about each industry, see appendix)

<https://www.ey.com/no/no/industries>

### **2.2.5 Clients**

In the appendix there is a full list of EY Norway's audit clients that are of public interest.

## **2.3 KPMG**

### **2.3.1 About KPMG**

KPMG is a global network of independent member firms offering audit, tax and advisory services. The firms work closely with clients, helping them to mitigate risks and grasp opportunities.

Member firms' clients include business corporations, governments and public sector agencies and not-for-profit organizations. They look to KPMG for a consistent standard of service based on high order professional capabilities, industry insight and local knowledge.

KPMG firms can be found in 152 countries and territories. Collectively they employ 189 000 people across a range of disciplines. In KPMG Norway, they have approximately 1 000 employees in 24 offices throughout Norway.

<https://assets.kpmg.com/content/dam/kpmg/no/pdf/2017/kpmg-aapenhetsrapport-2017.pdf>

### **History**

KPMG was established in 1987 by the merger of Peat Marwick International (PMI) and Klynveld Main Goerdeler (KMG) and their individual member companies. KPMG's history, however, extends over three centuries, where the organization can be traced back to the names of the most important founders whose initials form the KPMG name: William Barclay Peat, James Marwick, Piet Klynveld, Reinhard Goerdeler.



In 1911 William Barclay Peat & Co. and Marwick Mitchell & Co. merged, and what would later be known as Peat Marwick International (PMI), a worldwide network of audit and consulting companies, was established. In 1979, Klynveld was merged with Deutsche Treuhand-Gesellschaft and the international consulting company McLintock Main Lafrentz to Klynveld Main Goerdeler (KMG). In 1987, PMI and KMG and their network of member companies joined forces and KPMG was established. The global headquarters of KPMG is now located in Amstelveen, Netherlands.

KPMG's history in Norway has its origin in 1920. After several mergers, the company took the name KMG in 1980, and KPMG in 1987. In 1991 KPMG got their own consulting business, and in 1996 KPMG Law was established. The Norwegian headquarter is located in Oslo at Majorstuen.

<https://home.kpmg.com/no/nb/home/om-kpmg/var-virksomhet/kpmgs-historie.html>

## Revenue

The accounting figures for KPMG Norway refer to the accounting year ending June 30th 2017 (FY16/FY17).

### **Total revenue KPMG Norway: 1 453 340 thousand nok**

|             |                    |
|-------------|--------------------|
| Audit:      | 816 091 tnok (56%) |
| Advisory:   | 364 784 tnok (25%) |
| Tax/Law:    | 239 621 tnok (17%) |
| Accounting: | 32 843 tnok (2%)   |

### **Revenue from audit clients: 796 750 tnok**

|                          |                    |
|--------------------------|--------------------|
| Audit:                   | 612 409 tnok (77%) |
| Other assurance services | 53 847 tnok (7%)   |
| Advisory:                | 130 495 tnok (16%) |

<https://assets.kpmg.com/content/dam/kpmg/no/pdf/2017/transparency-report-2017-kpmg-norway-en.pdf>

**KPMG Global’s total revenue by areas in billion dollars:**

|           | <b>FY15</b>      | <b>FY16</b>      | <b>FY17</b>     |
|-----------|------------------|------------------|-----------------|
| Audit:    | \$10.03B         | \$10.12B         | \$10.39B        |
| Advisory: | \$9.10B          | \$9.74B          | \$10.18B        |
| Tax:      | \$5.31B          | \$5.56B          | \$5.83B         |
| Total:    | \$24.44B (+8,1%) | \$25.42B (+8,0%) | \$26.4B (+4,8%) |

The total revenue has increased in all service areas, but the largest growth is seen in the advisory area with an increase of 11,5% from FY15 to FY16 and 6% from FY16 to FY17. The growth % change is in local currency.

<https://assets.kpmg.com/content/dam/kpmg/xx/pdf/2017/12/international-annual-review-2017.pdf>

<https://assets.kpmg.com/content/dam/kpmg/iar/international-annual-review-2016.pdf>

<https://assets.kpmg.com/content/dam/kpmg/pdf/2015/12/international-annual-review-2015.pdf>

<https://home.kpmg.com/no/nb/home/nyheter-og-innsikt/2016/12/kpmgs-arsrapport-for-2016.html>

**2.3.2 Vision and values**

KPMG’s Vision is “To be the Clear Choice for our people, clients and the public, through knowing how to balance global strength and consistency with local relationships.”

KPMG Norway’s values give them a common identity. Their employees have an offensive, inclusive, and curious attitude, willing to innovate. They are Generous - Offensive - Inclusive - Innovative (Nyskapende) - they have a GO IN culture.

KPMGs values help them work together in the most effective and fulfilling way, and bring them closer as a global organization. They present their values this way:

- *We lead by example:* At all levels we act in a way that exemplifies what we expect of each other and our member firms' clients.
- *We work together:* We bring out the best in each other and create strong and successful working relationships.

- *We respect the individual:* We respect people for who they are and for their knowledge, skills and experience as individuals and team members.
- *We seek the facts and provide insight:* By challenging assumptions and pursuing facts, we strengthen our reputation as trusted and objective business advisers.
- *We are open and honest in our communication:* We share information, insight and advice frequently and constructively and manage tough situations with courage and candor.
- *We are committed to our communities:* We act as responsible corporate citizens by broadening our skills, experience and perspectives through work in our communities and protecting the environment.
- *Above all, we act with integrity:* We are constantly striving to uphold the highest professional standards, provide sound advice and rigorously maintain our independence.

<https://home.kpmg.com/no/nb/home/om-kpmg/etikk-og-verdier.html>

### **2.3.3 Services**

The services offered by KPMG include Audit and Assurance, Advisory, Tax, Accounting and Financial services, and also law services (KPMG Advokatfirma AS).

#### **Audit & Assurance**

KPMG want to help their clients gain better control over their business and gain insight into risks and opportunities. KPMG reviews accounts so clients market reports provide a correct picture of the business, assessing whether systems and processes take into account risks and comply with formal rules, as well as preparing a variety of other certification reports - not least on the environmental side. In this way, KPMG ensure quality information so that they contribute to building trust in the capital market and creating a healthy business community.

In KPMG, audit teams are divided into teams by industry competence, responsible for following both general industry news and industry changes. All auditors and advisors associated with an industry are regularly updated. In addition, resources from their other business areas are brought in from customer projects as needed.

At the same time, KPMG has also established a national stock exchange group for their auditors working with listed clients, to ensure that they are professionally updated at any time within the regulations of listed companies.

KPMG's audit and assurance services include: Audit of annual accounts, Audit of interim financial statements, Agreed control actions, Municipal audit/audit of the public sector, IFRS, Internal audit, IT audit, Environmental services and reporting on social responsibility, Examination and preventive services, and Assistance within tax, fee, accounting and financial management. For information about KPMG's audit and assurance services see appendix.

<https://home.kpmg.com/no/nb/home/tjenester/revisjon-og-bekreftelser.html>

### **Tax**

KPMG Tax is part of KPMG Law Firm, who is working on complex law adjustments, tax and business law issues that set guidelines for business strategies.

Organizations of all sizes are subject to increasingly complex regulatory adjustments, and tax and business law issues guide the business strategies. KPMG's strength is that they deal with such issues daily and they can ensure their clients an optimal understanding and practice within current laws and regulations. Effective advice and good planning within tax and business life give the clients business competitive advantages.

KPMG's goal is to make the complex understandable, thus helping the clients business navigate safely through an increasingly regulated business landscape. KPMG helps their clients in four areas: Corporate tax, Personal tax, VAT and customs, and China desk. (For more information, see appendix)

<https://home.kpmg.com/no/nb/home/tjenester/skatt-og-avgift.html>

### **Law**

KPMG Law Firm (Advokatfirma AS) is one of Norway's best competence centers in taxation, fees and business law.

A number of rules of law intervene closely with businesses on a daily basis. The importance of being at the forefront of good professional-based routines and decisions can therefore be crucial to business's success. KPMG's business lawyers have expertise in company law, purchase and

sale of businesses, contract law, change of ownership, labor law, EU/EEA law, public procurement, real estate or contract. KPMG's employees are assembled in professional and interdisciplinary teams to provide the best results for the customer. All their business lawyers are working continuously and closely with their tax, fee and cross-border business.

Through KPMG's global network of business lawyers in nearly 70 countries, they can provide seamless and comprehensive "one-stop shop"-solutions across most geographies and areas of expertise.

KPMG Law help clients with M&A, legal due diligence, labour law, construction law, corporate law, intellectual property law, commercial contracts, EU/EEA law and public procurement, commercial real estate, and generation change and inheritance settlements. (For more information, see appendix)

<https://home.kpmg.com/no/nb/home/tjenester/advokattjenester.html>

### **Advisory**

KPMG works as consultants in most sectors, and the Advisory clients get access to KPMG's professional environment, with a wide range of strategic advisory services and operational assistance. Advisory works closely with the other service areas within auditing, tax and law. This way, they can always take responsibility for comprehensive deliveries on some of the most complex and demanding projects that are being carried out today. Their service range includes technology advice, corporate governance, internal control, enterprise management, review in a variety of areas, a wide range of analysis, process understanding and improvement, cost reductions, organizational development and active contribution in the execution of transactions. KPMG Advisory is divided into four areas: Management Consulting, Risk services, Deal Advisory, and Investigation and prevention services. (For more information, see appendix)

<https://home.kpmg.com/no/nb/home/tjenester/radgivning.html>

### **Accounting & financial services**

KPMG is a total supplier of accounting and financial services. They provide tailor-made solutions and services based on individual business needs, whether it is a new accounting and payroll system, assistance for annual reports and tax papers, legal advice, effectiveness of the financial function, business management or leasing of controller, accounting manager or CFO. KPMG has experience, expertise, advisors, systems, methods and models that provide clients with a cost-effective, modern and robust financials based on best practices.

KPMG Accounting and financial services help clients in five areas: Accounting and system, Accounting with Microsoft Dynamics Navision, Payroll Services, Accounting with technology and usability, and annual reports and tax papers. (For more information, see appendix)

<https://home.kpmg.com/no/nb/home/tjenester/regnskaps-og-okonomitjenester.html>

### **2.3.4 Business areas and industries**

KPMG operates within 14 different business areas and industries: Automotive, Banking and Capital Markets, Energy, Consumer & Retail, Government & Public Sector, Healthcare, Industrial Manufacturing, Oil & Gas, Technology, Media & Telecom, Transport & Logistics, Real Estate, Hospitality & Construction, Private Equity, Shipping, and Seafood.

For more information about KPMG's industries, see appendix.

<https://home.kpmg.com/no/nb/home/bransjer.html>

### **2.3.5 Clients**

In the appendix there is a full list of KPMG Norway's audit clients that are of public interest.

## **2.4 Deloitte**

### **2.4.1 About Deloitte**

With over 150 years of hard work and commitment to making a real difference, the Deloitte organization has grown in scale and diversity—approximately 263,900 people in 150 countries and territories, providing audit, tax, legal, financial advisory, risk advisory, and consulting services—yet the shared culture remains the same.

For Deloitte, good isn't good enough. They aim to be the best at all that they do—to help clients realize their ambitions; to make a positive difference in society; and to maximize the success of their people. This drive fuels the commitment and humanity that run deep through our every action.

Deloitte's purpose and values are instrumental in everything they do, and their purpose is: To make an impact that matters. In order to fulfill this purpose, they must deserve and achieve respect among all stakeholders in society, challenge themselves and make a difference for clients, employees, their profession and society.

<https://www2.deloitte.com/no/no/legal/about-deloitte.html>

## History

Deloitte's history goes back to when Jacob Von Tangen Kielland started "Bergens Revisionsinstitutt" in 1916. In 1967 was Andreas Gjems audit firm "Revisjonsinstituttet i Oslo" asked by the London based firm Touche Ross, to represent them in Norway. And in 1979 merged the two firms and in 1981 the officially joined forces with Touche Ross as common international connection. In 1994 the company changed its name to Deloitte & Touche, and in 2003 it changed name again, to Deloitte. Deloitte are today represented in 20 locations in Norway with its headquarter in Oslo.

<https://www2.deloitte.com/no/no/pages/about-deloitte/articles/deloitte-norge-100-aar.html>

## Revenue

The accounting figures for Deloitte Norway refer to the accounting year ending June 30th 2017 (FY16/FY17).

|                                       |                          |
|---------------------------------------|--------------------------|
| <b>Total revenue Deloitte Norway:</b> | <b>1 960 million nok</b> |
| Audit & Assurance:                    | 896 mnok (46%)           |
| Consulting:                           | 567 mnok (29%)           |
| Tax & Legal:                          | 427 mnok (22%)           |
| Financial Advisory:                   | 69 mnok (3%)             |

|  |                        |
|--|------------------------|
| <b>Total revenue from audit clients:</b> | <b>869 million nok</b> |
| Audit:                                   | 630 mnok (73%)         |
| Assurance and related services:          | 55 mnok (6%)           |
| Tax and fees:                            | 120 mnok (14%)         |
| Other:                                   | 64 mnok (7%)           |

[https://www2.deloitte.com/content/dam/Deloitte/no/Documents/about-deloitte/deloitte-FY17\\_aapenhetsrapport.pdf](https://www2.deloitte.com/content/dam/Deloitte/no/Documents/about-deloitte/deloitte-FY17_aapenhetsrapport.pdf)

**Deloitte Global’s total revenue by areas in billion dollars:**

|                     | <b>FY15</b>     | <b>FY16</b>     | <b>FY17</b>     |
|---------------------|-----------------|-----------------|-----------------|
| Audit & Assurance:  | \$9.8B          | \$9.4B          | \$9.4B          |
| Consulting:         | \$12.2B         | \$13.1B         | \$14.3B         |
| Tax & Legal:        | \$6.7B          | \$6.9B          | \$7.3B          |
| Financial Advisory: | \$3.1B          | \$3.3B          | \$3.4B          |
| Risk Advisory:      | \$3.5B          | \$4.1B          | \$4.5B          |
| Total:              | \$35.2B (+7,6%) | \$36.8B (+9,5%) | \$38.8B (+7,1%) |

The business area with the largest growth increase has been Consulting, with a growth ratio of 7,3% from FY15 to FY16 and 9,16% from FY16 to FY17. The growth % change is in local currency.

<https://www2.deloitte.com/content/campaigns/global/global-report/global-report.html>

<https://www2.deloitte.com/content/dam/Deloitte/ru/Documents/about-deloitte/2016-global-impact-report.pdf>

<https://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/gx-gr15-summary-final.pdf>

**2.4.2 Vision, purpose, values**

Deloitte’s vision is: “We aspire to be the Standard of Excellence, the first choice of the most sought-after clients and talent.” Deloitte’s purpose is “To make an impact that matters”.

The company’s purpose and values are instrumental in everything they do in Deloitte, and their global shared values are timeless. They succinctly describe the core principles that distinguish the Deloitte culture.

- *Integrity*: Deloitte believe that nothing is more important than their reputation, and behaving with the highest levels of integrity is fundamental to who they are. They demonstrate a strong commitment to sustainable, responsible business practices.
- *Outstanding value to markets & clients*: Deloitte play a critical role in helping both the capital markets and our member firm clients operate more effectively. They consider this role a privilege, and know that it requires constant vigilance and unrelenting commitment.



- *Commitment to each other:* They believe that their culture of borderless collegiality is a competitive advantage for Deloitte, and go to great lengths to nurture it and preserve it. They go to extraordinary lengths to support their people.
- *Strength from cultural diversity:* Deloitte's member firm clients' business challenges are complex and benefit from multidimensional thinking. They believe that working with people of different backgrounds, cultures, and thinking styles helps their people grow into better professionals and leaders.

<https://www2.deloitte.com/no/no/pages/about-deloitte/articles/deloitte-norge-formaal-og-verdier.html>

### **2.4.3 Services**

The service areas offered by Deloitte include Auditing and Assurance, Consulting, Financial Advisory, Legal, Risk advisory, and Tax.

#### **Audit & Assurance**

Deloitte deliver services within auditing, simplified auditor review and other assurance services. Customized delivery based on size, industry and other needs. Audit and Assurance services include: IFRS-reporting, accounting and financial reporting, preparation of accounting papers and tax papers in the annual report, performance audit and corporate control, investigation and forensic services, internal audit, and media and advertising assurance.

[https://www2.deloitte.com/no/no/services/audit.html?icid=top\\_audit](https://www2.deloitte.com/no/no/services/audit.html?icid=top_audit)

#### **Consulting**

As the world's largest management consulting business, Deloitte is distinct in its ability to help clients solve their most complex problems, from strategy to implementation. They are differentiated by their capability to execute the advice they provide to help clients in the markets where they operate today and where they want to be in the future. Delivering this kind of value requires the skills to integrate a broad range of talent and skills – across human capital, strategy & operations, and technology – aligned to the unique needs of our clients' industry sectors, businesses, and organizations.

Deloitte Consulting is divided into three areas: Human Capital, Strategy & Operations, and Technology.

[https://www2.deloitte.com/no/no/services/consulting-deloitte.html?icid=top\\_consulting-deloitte](https://www2.deloitte.com/no/no/services/consulting-deloitte.html?icid=top_consulting-deloitte)

### **Financial advisory**

Deloitte has a wide range of services linked to the CFO's agenda, which includes both financial advisory and finance/accounting services. Important service areas are M&A, Financial Challenges, M&A-transactions, Commercial Due Diligence, Financial Analysis and Modelling, and Restructuring and Capital structure.

[https://www2.deloitte.com/no/no/services/finance.html?icid=top\\_finance](https://www2.deloitte.com/no/no/services/finance.html?icid=top_finance)

### **Legal**

Deloitte Law Firm (Advokatfirma) is one of Norway's largest business law firms, with 200 professional employees with expertise in Transactions, Tax and Business law. Services provided by Legal are: Labor Law and Pensions, Commercial Law, Corporate, M&A and Transactions, Real Estate, and Investigation and Forensic Services.

[https://www2.deloitte.com/no/no/services/legal.html?icid=top\\_legal](https://www2.deloitte.com/no/no/services/legal.html?icid=top_legal)

### **Risk advisory**

Leading organizations understand that risk is a source of competitive advantage. By managing risk more effectively these organizations unleash their full potential, creating and protecting value for all of their stakeholders. Risk advisory offer services such as: Cyber Risk, Financial Risk, Operational Risk, Regulatory Risk, and Strategic and Reputation Risk.

[https://www2.deloitte.com/no/no/services/risk-advisory.html?icid=top\\_risk-advisory](https://www2.deloitte.com/no/no/services/risk-advisory.html?icid=top_risk-advisory)

### **Tax**

With local expertise and an extensive international network, as part of a global organization, Deloitte assists in all areas of Tax. The people working in Deloitte Tax are part of Deloitte Law Firm, and the Law Firm is organized in professional groups and interdisciplinary industry groups in order to provide the best possible quality of service with our customers.

Deloitte Tax help clients in six different areas: BEPS Reading Scan 1-2-3, Global employer Services, Business Tax: Labour Law and pensions: Commercial Law, Corporate, M&A and Transactions.

[https://www2.deloitte.com/no/no/services/tax.html?icid=top\\_tax](https://www2.deloitte.com/no/no/services/tax.html?icid=top_tax)

#### **2.4.4 Business areas and industries**

Deloitte operate in six different business areas and industries: Consumer, Energy, Resources & Industrials, Financial Services, Government & Public Sector, Life Sciences & Health Care, and Technology, Media & Telecommunications. For more information about the different industries, see appendix

[https://www2.deloitte.com/no/no/industries/consumer.html?icid=top\\_consumer](https://www2.deloitte.com/no/no/industries/consumer.html?icid=top_consumer)

[https://www2.deloitte.com/no/no/industries/public-sector.html?icid=top\\_public-sector](https://www2.deloitte.com/no/no/industries/public-sector.html?icid=top_public-sector)

[https://www2.deloitte.com/no/no/industries/energy-and-resources.html?icid=top\\_energy-and-resources](https://www2.deloitte.com/no/no/industries/energy-and-resources.html?icid=top_energy-and-resources)

[https://www2.deloitte.com/no/no/industries/life-sciences-and-healthcare.html?icid=top\\_life-sciences-and-healthcare](https://www2.deloitte.com/no/no/industries/life-sciences-and-healthcare.html?icid=top_life-sciences-and-healthcare)

[https://www2.deloitte.com/no/no/industries/financial-services.html?icid=top\\_financial-services](https://www2.deloitte.com/no/no/industries/financial-services.html?icid=top_financial-services)

[https://www2.deloitte.com/no/no/industries/technology-media-and-telecommunications.html?icid=top\\_technology-media-and-telecommunications](https://www2.deloitte.com/no/no/industries/technology-media-and-telecommunications.html?icid=top_technology-media-and-telecommunications)

#### **2.4.5 Clients**

In the appendix there is a full list of Deloitte Norway's audit clients that are of public interest.

## **3 Value creation in PSF**

This part look at different aspects that contribute to the value creation in the Big Four PSFs. By including topics such as organization, recruitment and employees, way of working, technologies, corporate social responsibility and alliances, the reader will get a deeper understanding of how value is created by the companies.

### **3.1 PwC**

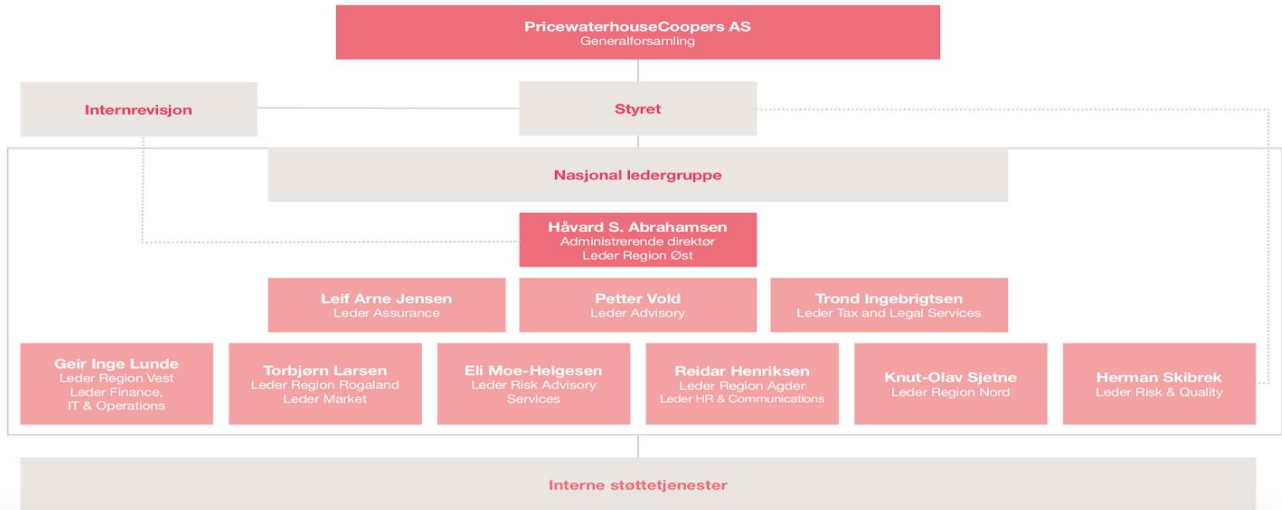
#### **3.1.1 Organization**

##### **Local structure**

PwC Norway consists of the Norwegian companies: PricewaterhouseCoopers AS (PwC AS) with the subsidiary PricewaterhouseCoopersAccounting AS and the law firm PricewaterhouseCoopers AS with the subsidiary PricewaterhouseCoopersSkatterådgivereAS.

PwC Norway is governed by partners through decisions in the General Assembly in accordance with recognized principles for good corporate governance. The General Assembly is the supreme body of PwC AS and has the authority regulated by the Companies Act (aksjeloven).

The board of PwC AS consists of nine members, of whom six are elected by and among the shareholders. Three of the members shall be elected by and among the employees. All board members come from PwC Norway. No members of the national management team can be on the board. In PwC Norway, the proportion of women is 11 percent at senior management level, while at middle level the proportion is 32 percent.



Internal Audit (Internrevisjon) is an independent and objective body that evaluate and help improve management and control measures established for risk management and achievement of goals in the business. Internal Audit has the entire business as its field of work, and focus on business processes for enterprise management, risk management and control.

The CEO is PwC Norway's top operating manager and is responsible for the day-to-day management of the business. 01.06.18, a new CEO and COO duo was appointed in PwC. A duo instead of a single person, was according to the board the best way to increase PwC's customer and market orientation and cooperate across PwC's services and regions. The board thinks a duo will be the best solution to handle the tasks and challenges following the CEO-position in a company like PwC.

<https://www.ntbinfo.no/pressemelding/ny-lederduo-i-pwc?publisherId=3255928&releaseId=17195685>

### Global structure

PwC is the brand under which the member firms of PricewaterhouseCoopers International Limited (PwCIL) operate and provide professional services. Together, these firms form the PwC network. 'PwC' is often used to refer either to individual firms within the PwC network or to several or all of them collectively.

In many parts of the world, accounting firms are required by law to be locally owned and independent. Although regulatory attitudes on this issue are changing, PwC member firms do

not and cannot currently operate as a corporate multinational. The PwC network is not a global partnership, a single firm, or a multinational corporation.

For these reasons, the PwC network consists of firms which are separate legal entities. The firms that make up the network are committed to working together to provide quality service offerings for clients throughout the world. Firms in the PwC network are members in, or have other connections to, PricewaterhouseCoopers International Limited (PwCIL), an English private company limited by guarantee. PwCIL does not practise accountancy or provide services to clients. Rather its purpose is to act as a coordinating entity for member firms in the PwC network. Focusing on key areas such as strategy, brand, and risk and quality, the Network Leadership Team and Board of PwCIL develop and implement policies and initiatives to achieve a common and coordinated approach among individual firms where appropriate. Member firms of PwCIL can use the PwC name and draw on the resources and methodologies of the PwC network. In addition, member firms may draw upon the resources of other member firms and/or secure the provision of professional services by other member firms and/or other entities. In return, member firms are bound to abide by certain common policies and to maintain the standards of the PwC network as put forward by PwCIL.

The PwC network is not one international partnership and PwC member firms are not otherwise legal partners with each other. Many of the member firms have legally registered names which contain “PricewaterhouseCoopers”, however there is no ownership by PwCIL. A member firm cannot act as agent of PwCIL or any other member firm, cannot obligate PwCIL or any other member firm, and is liable only for its own acts or omissions and not those of PwCIL or any other member firm. Similarly, PwCIL cannot act as an agent of any member firm, cannot obligate any member firm, and is liable only for its own acts or omissions.

<https://www.pwc.com/gx/en/about/corporate-governance/network-structure.html>

### **3.1.2 Recruitment and employees**

#### **Recruitment**

PwC is an attractive employer among the students and therefore have good access to talents. A questionnaire done by Universum shows that PwC scores second best on most attractive workplace for graduated students in Norway. 13,29 percent of business students prefer PwC as their employer.

<https://e24.no/naeringsliv/jobbytte/dette-er-studentenes-droemmearbeidsgivere/24325783>

PwC Norway annually employs over 100 employees right from universities and colleges at home and abroad. PwC recruit students before they are finished with their degree to make sure they capture the best talents.

<https://www.dn.no/talent/2017/10/12/0917/Arbeidsliv/fikk-jobb-11-maneder-for-han-var-ferdig-med-studiene>

In order to ensure a fair and good process, everyone in the hiring process conducts structured assessments and ability tests. PwC experience that through a thorough process they are both better acquainted with the candidates and that the candidates are better acquainted with them and the workday that may come. Graduates start their career in PwC with a 3-week training program focusing on developing auditory skills as well as providing them with a toolbox that will help them deliver on the expectations of their postgraduate level.

<https://www.pwc.no/no/karriere/nyutdannede-og-studenter/rekrutteringsprosessen.html>

<https://www.pwc.no/no/karriere/nyutdannede-og-studenter/sporsmal-og-svar.html>

## **Employees**

Every year PwC does a global employee satisfaction survey. The survey maps the working environment in PwC Norway. This enables PwC to see developments over time, and compare the results with other companies in the PwC network and comparable results in other companies carrying out the same type of survey. The survey measures how satisfied the employees are working in PwC. The results of the surveys help to provide valuable input to how PwC can improve their work processes to deliver high quality services, and the results are also used to improve their internal processes towards employees so that they are happy at work and continue to learn and in that way contribute to building trust and creating value.

## **PwC Professional**

PwC Professional is the framework for all professional and personal development in PwC. The competence requirements in PwC Professional and the recruitment process ensure that PwC employs the most talented people. Research shows that the accuracy of good employments increases considerably by using structured assessments and ability tests based on specific competence requirements.

<https://www.pwc.com/gx/en/careers/pwc-professional.html>

### **PwC Manager Academy**

For Managers and Senior Managers, PwC have a separate development program - PwCs Manager Academy. The program focuses on the role of leader.

<https://www.pwc.no/no/om-oss/pwc-aapenhetsrapport-2017.pdf>

### **PwC Leadership Academy**

In order to meet tomorrow's challenges, PwC has developed a management development program for their partners and directors. Experts from global leading universities have been brought in to the program, which aims to increase the collective skills of the organization, increase their ability and willingness to understand today's mega trends and see what opportunities and challenges they represent for PwC's customers. The program has been a great success. It is about gaining an understanding of the context they operate in and training the employees to act properly in the market. In that way PwC helps to increase their own and their customers' competitiveness.

<https://www.pwc.no/no/publikasjoner/aarsrapport-pwc-2017.pdf>

To ensure learning and development in the everyday life, all employees receive four formal evaluations per year based on assignment implementation, while managers and directors receive two evaluations. Partners and all senior executives also receive a managerial evaluation with formal feedback from their employees. All employees and partners have concrete long-term development plans that are the basis for measuring individual performance.

### **Perks**

The perks PwC offers are supposed to be competitive, and contribute to PwC attracting, keeping and motivating talented workers. PwC focus on total compensation; basic salary, bonus and flexible benefits where further development, overtime pay, insurance and employee benefits are more complex than otherwise in the business.

One of the perks PwC offers is paid continuing education. The employee increases his or her knowledge base, which PwC benefits from. It helps to create value for the company, and the customers get a better offer.

<https://e24.no/jobb/faar-gratis-utdanning-verdt-hundretusener/21096585>

<https://www.pwc.no/no/om-oss/pwc-aapenhetsrapport-2017.pdf>



### **3.1.3 Way of working**

#### **New values**

During the last year, PwC has rebranded themselves through the creation of new company values. These values were created through participation by 140 000 PwC employees from all over the world and reflect how they want their company to be. The values they came up with are: *work together, care, make a difference, reimagine the possible og act with integrity.*

These values reflect who they are and where they want to go. The values tell them how to work together, both internally and with their customers, to build trust and solve important issues. The values will therefore characterize everything PwC do internally and towards customers and society.

<https://www.pwc.no/no/om-oss/pwc-aapenhetsrapport-2017.pdf>

#### **Code of Conduct**

The reputation of PwC is anchored in the professionalism, ethics and excellence of service their people have striven to demonstrate and embrace every day of their 150-year history. But times change, and today they find themselves functioning in a very different and challenging business climate—one that requires them to visibly reinforce their commitment to high standards and their passion for quality and integrity in all they do. Hence, they have developed a Code of Conduct. The Code is a set of principles intended to guide them in the conduct of their business and aid them in ensuring that PwC's culture of ethics and integrity is sustained around the world. By combining their own good judgement and experience with the practical guidelines in the Code, they aim to continue earning the trust of all their stakeholders.

PwC is purpose led and values driven, and their Purpose and values are their guiding principles in deciding the right thing to do. Addressing and resolving ethical dilemmas is complex, and the Code cannot address all questions or situations. <https://www.pwc.com/gx/en/ethics-business-conduct/pdf/living-our-purpose-and-values-pwc-code-of-conduct-2017.pdf>

#### **“Vil litt mer”**

"Vil litt mer" is part of PwC's new marketing strategy and is part of the development of an already strong brand. Last autumn, the new market strategy "Vil litt mer" was launched. It's about bringing the gold to the organizational culture of PwC; namely a clear attitude to why they go to work every day, that they want it a little more; not just on behalf of themselves, but

on behalf of their customers and society. For it is those who create the future that are the ones who want it the most. And since PwC's livelihood is about creating results for their customers, they must want it at least as much as them.

These things show PwC's willingness to invest in people, brand, technology, expertise and culture to continue to deserve the trust they have today among their customers throughout Norway.

<https://www.pwc.no/no/vil-litt-mer.html>

### **Audit quality**

PwC Norway's business is subject to the framework conditions in the Auditors Act, regulations and current professional standards. The framework conditions in Norwegian legislation are complemented by the network's common guidelines and standards. PwC Norway has access to common methodology, technology and support material for a variety of service types. The methodology, technology and support material are designed to help employees and partners perform the work with a high degree of consistency and quality within the Norwegian framework conditions. PwC Norway also has broad access to the network's professional specialists in a number of fields, as well as formal and informal professional networks.

As a member of the PwC network, PwC Norway uses PwC Audit, which is a common audit method and process for carrying out audit assignments. PwC Audit is based on International Standards on Auditing (ISA), with the addition of guidelines and guidance prepared by PwC supplemented by special requirements related to, for example, the audit of the annual report, compliance with the Accounting Act and the taxation of tax returns. As a member of the PwC network, PwC Norway uses the application Aura, which runs the embodiment of the actual audit. In Aura there is a wide range of possibilities, including tools that promote quality in the audit, and consistency and simplification of the documentation. The quality of services PwC provide is the key to maintaining trust from investors and other stakeholders. Quality is therefore a fundamental element of PwC's strategy.

<https://www.pwc.no/no/om-oss/pwc-aapenhetsrapport-2017.pdf>

### **3.1.4 Technology**

#### **Technology in audit**

PwC continuously invest in technology that improves the quality in their audit and PwC opportunities to provide valuable insights to their clients. The technology used is developed and implemented globally to ensure consistency throughout the PwC network.

The technology is operationalized in applications that improve the quality and efficiency of the audit through automation, connectivity and mobility. These applications include: Aura Now, Count, Connect, and Halo.

PwC won the "Audit Innovation of the Year" in 2017 under the auspices of the International Accounting Bulletin magazine. The technology GL is developed in collaboration with Silicon Valley-based H2O that develops artificial intelligence. The prototype has been tested in both Canada, Germany, Sweden and the UK. The technology utilizes PwC's global knowledge and uses algorithms that are developed and trained to copy decision-making processes. It examines each transaction down to the smallest detail and may find deviations that humans do not. It will give PwC auditors a completely unique insight into the company being revised.

<https://www.pwc.no/no/publikasjoner/aarsrapport-pwc-2017.pdf>

#### **Technology focus**

PwC's Consulting service has an area of expertise named "business technology". In this area PwC help their clients understand how technology can help them reach their strategic goals.

<https://www.pwc.no/no/tjenester/consulting/business-technology.html>

PwC offers insight, knowledge and advisory within the area of technology and organizational change, where topics, tools and trends are: digitalization 1-2-3, cyber security, Lean, FinTech, change in the public sector, entrepreneurship, GDPR, crypto currency, welfare technology and health. Examples of how PwC have helped clients with digitalization and transformation of their business are shown in the cases of Tryg and OsloMet. In these cases PwC helped their clients use technology to change the way they help clients, and to develop a strategy for digital transformation. These cases are also connected to PwC's new market strategy, "Vil litt mer".

<https://www.pwc.no/no/vil-litt-mer/tryg.html>

<https://www.pwc.no/no/bransjer/offentlig-sektor/oslomet---veien-til-digital-transformasjon.html>.

<https://www.pwc.no/no/teknologi-omstilling.html>

### **3.1.5 Corporate social responsibility**

PwC is committed to improving the physical environment, not least in terms of providing services that help their clients achieve the same. Environment is one of four areas where PwC shows social responsibility, and the "Miljøfyrtårn"-certification is a great way to show their contribution to the environment.

For PwC in Norway, being a Miljøfyrtårn is a great way to commit and inspire their managers and other employees to energy efficiency and better handling of waste. When locating offices, they select locations near collective hubs, invest in technology such as video conferencing equipment to reduce the need for flights. In the years to come, PwC will continue to work on reducing their environmental footprint.

<https://www.miljofyrtarn.no/aktuelt/pwc-tar-miljoansvar-miljofyrtarn/>

PwC believes that companies that integrate sustainability goals into their business strategy reinforce their "license to operate". These companies will also have a larger and longer-term value creation for their owners and other stakeholders. International research and their own findings from Norway support this. PwC has contributed with a report called PwC Sustainability 100 (PwC Bærekraft 100). In this report, PwC analyzes the 100 largest norwegian companies' reporting on environmental and social responsibility.

<https://www.pwc.no/no/publikasjoner/pwc-barekraft100.pdf>

### **3.1.6 Alliances and important clients**

PwC Norway has no business partnership with other auditors or audit companies in Norway. There is extensive cooperation between PwC AS, PricewaterhouseCoopersSkatterådgivere AS, Advokatfirmaet PricewaterhouseCoopers AS and PricewaterhouseCoopers Accounting AS. The companies must therefore be considered as one regarding the rules on independence of the auditors.

Some of the most important clients for PwC globally: Bank of America, American International Group, Chase, Goldman Sachs and Prudential Financial

<https://big4accountingfirms.com/pwc-audit-clients-list/> (List of 50 most important clients globally)

## **3.2 EY**

### **3.2.1 Organization**

#### **Local**

Ernst & Young AS is a Norwegian limited company and member company in Ernst & Young Global Limited, a UK company with limited liability. Ernst & Young AS, is an approved Norwegian audit company, and is 99.99% owned by Norwegian partners, which owns 49% of the votes in the company (A-shares). Ernst & Young AS is organized as an internal company (Indre Selskap) where Ernst & Young AS is the main character (Hovedmann) and the Norwegian partners are quiet stakeholders (stille interessenter). The activities of the internal company (Indre selskap) comprise all the activities that Ernst & Young AS operates. Ernst & Young AS owns 100% of the Norwegian limited companies Bjørvika Konferansesenter AS and Ernst & Young Value Added Tax Services AS. In addition, Ernst & Young Advokatfirma AS is a company Ernst & Young AS cooperates with, and where Ernst & Young AS has actual control.

The General Assembly is the highest body in Ernst & Young AS, and Erik Mamelund is the CEO of EY Norway and also Regional Managing Partner in EY Norden.

The audit operations in Norway are divided into “Big Cities” and “Local Regions”. Big Cities is divided into offices in Oslo, Bergen and Stavanger. Local regions are divided into 3 geographical areas, which are again divided into offices. The offices are lead by department managers.

[https://www.ey.com/Publication/vwLUAssets/EY\\_2017\\_Åpenhetsrapport/\\$File/EY-2017-åpenhetsrapport-norge.pdf](https://www.ey.com/Publication/vwLUAssets/EY_2017_Åpenhetsrapport/$File/EY-2017-åpenhetsrapport-norge.pdf)

#### **Global**

EY Global is organized in four geographical areas: Americas, Asia Pacific, EMEIA (Europe, Middle East, India and Africa) and Japan. The areas consist of regions, which consist of member companies or parts of member companies.

EY Norway is part of the EMEIA area consisting of Ernst & Young Global Limited (EYG) member companies in 98 countries in Europe, the Middle East, India and Africa. In EMEIA there are 12 regions. EY Norway is part of the Nordic region with the other Nordic countries.

Ernst & Young (EMEIA) Limited ("EMEIA Ltd."), an English limited liability company, is the central control unit for EYG member companies in the EMEIA region. EMEIA Ltd. facilitates the coordination of these member companies and their cooperation, but does not control them. EMEIA Ltd. is a member company in EYG, but does not perform auditing or other professional services

In the EMEIA region a European owned company, Ernst & Young Europe LLP ("EY Europe"), has been established. EY Europe is a UK limited liability company owned by partners in EY companies in Europe. It is an audit firm registered in ICAEW (The Institute of Chartered Accountants in England and Wales), but does not perform auditing or other professional services. To the extent that local law permits, EY Europe has taken over or intends to take control of a number of EY companies in European countries in the EMEIA region. EY Europe is a member company in both EYG and EMEIA Ltd.

| Americas  |    | EMEIA     |    | Asia-Pacific |    | Japan     |   |
|-----------|----|-----------|----|--------------|----|-----------|---|
| Regions   | 10 | Regions   | 12 | Regions      | 5  | Regions   | 1 |
| Countries | 31 | Countries | 98 | Countries    | 22 | Countries | 1 |



[https://www.ey.com/Publication/vwLUAssets/EY\\_2017\\_Åpenhetsrapport/\\$File/EY-2017-apenhetsrapport-norge.pdf](https://www.ey.com/Publication/vwLUAssets/EY_2017_Åpenhetsrapport/$File/EY-2017-apenhetsrapport-norge.pdf)

### 3.2.2 Recruitment and employees

#### Recruitment

For business students, EY is ranked number four on the list of most attractive companies to join after completed studies for Norwegian students. 13,19 percent of business students prefer EY as their employer.

<https://e24.no/naeringsliv/jobbytte/dette-er-studentenes-droemmearbeidsgivere/24325783>

EY has, on the other hand, been named the number one most attractive employer in the category of business in the Nordics. The award is based on a survey of over 36,000 respondents in the Nordic countries, and among nordic economic and business students, EY has come up on top on this survey the last seven years.

<https://e24.no/privat/universum-listene/ey-mest-attraktiv-blant-oekonomistudenter-papirene-er-inngangsbilletten/24072862>

In order to get a hold on the best talents, EY is visible on career days, they arrange courses, they invite students to Oslo for case competitions, they have corporate presentations at the studios and they have different academic arrangements showing off their firm and industry. They invest considerable resources to let the students get to know EY. They focus on and work with the students from their start at universities and regularly try to impact how the students see them and to keep their reputation. In addition, EY offers high starting salaries for graduates to make them even more attractive.

<https://www.dn.no/talent/2012/02/11/-en-vill-kamp-om-talentene>

As a part of the onboarding program for graduate students, new employees get a one week introduction course in Spain. Further, EY have put together a competencies model consisting of three elements: training, experience and follow-up. The training include voluntary and mandatory courses. From day one, employees will spend a lot of time working with clients. Through teamwork and knowledge sharing, the new employees gain valuable experience. New employees will always have people around them to guide and help them whenever something unfamiliar occur.

<https://www.ey.com/no/no/careers/students/joining-ey#fragment-3-na>

<https://www.ey.com/no/no/careers/experienced/your-development#fragment-0-na>

## **Employees**

EY offers continuing education of auditors, and the EY framework for consistent career development, EYU, enables their partners and employees to get the right experience, the right training and coaching to help them develop and achieve their potential.

EYU training is based on a comprehensive and globally consistent curriculum that helps all employees develop their knowledge and skills wherever they are in the world. The basic audit courses are supplemented by training developed in line with changes in accounting and reporting standards, independence and other professional standards as well as practical issues that arise. EY has restructured their audit training to "The Audit Academy" - a learning curriculum for learning. The training combines interactive classroom based simulation, e-learning modules and support for refreshment and practical application of knowledge.

EY understands the importance of providing their partners and employees with updated and accurate information to enable them to perform their duties. EY has made significant investments in knowledge and communication networks to facilitate rapid dissemination of information through intranets and e-mail. These systems provide access to hundreds of knowledge databases.

A comprehensive evaluation process - the performance management process - requires their employees to set goals, get clear expectations of their work, get feedback and talk about how they've performed. Performance Management and Development Process (PMDP) is a process designed to help their employees develop and succeed in their careers.

[https://www.ey.com/Publication/vwLUAssets/EY\\_2017\\_Åpenhetsrapport/\\$File/EY-2017-åpenhetsrapport-norge.pdf](https://www.ey.com/Publication/vwLUAssets/EY_2017_Åpenhetsrapport/$File/EY-2017-åpenhetsrapport-norge.pdf)

In order to make sure that all of their people understand the digital landscape, EY Global are building the capabilities of all of their people. In 2017, they launched their flagship immersive online learning experience, *Let's Talk Digital*. This is part of a multi-stage learning and experience program that will build the next wave of digital leaders.

<https://betterworkingworld.ey.com/purpose/global-review-2017>



### **3.2.3 Way of working**

EY is committed to helping build a "better working world". The insights and quality EY provides through their services help build confidence in the capital markets and the economy around the world. EY develop outstanding executives who work together to deliver EY's commitments to their stakeholders. Through this, EY plays an important role in building a "better working world" for their employees, their customers and their local communities.

#### **Audit quality**

Vision 2020, which defines EY's goals, vision and strategy, indicates that EY member firms shall provide exceptional customer service worldwide. This is made possible by an unwavering commitment to quality and service that is both professional and globally consistent and implies that the services are based on objectivity, professional skeptical attitude and compliance with EY's guidelines and professional standards.

Delivering audit quality is the core of all EY does and supports their goal of building a "better working world" for their employees, their customers and their local communities. This is reflected in their Sustainable Audit Quality (SAQ) program and has the highest priority in their audit business. EY's SAQ initiative was launched in 2015 and each member of the EY network is committed to delivering high quality audits. SAQ establishes a management structure and focuses on continuous improvement of the audit process. They use the word "Sustainable" in SAQ to show that this is not a short-term, one time action, but an ongoing process of improvement. SAQ is implemented by each member firm and is coordinated and monitored globally, and EY has achieved significant progress through SAQ. The number of identified quality deviations in EY's internal and external quality controls at the global level has been reduced and the consistency in their deliveries has increased.

Management is responsible for, through their actions and behavior, demonstrating their compliance with EY's goal of helping to build a better working world. They communicate to their employees that quality and professional responsibility start with them and is the most important thing they do every day. Their attitude towards ethics and integrity is reflected in the EY Global Code of Conduct and other guidelines and is built into their culture, their training programs and internal communications.

The components of EY's audit quality control system consists of: ethical values, internal quality control systems, acceptance of new customers and continuation of existing ones, audit, control and consultations, rotation of the responsible auditor, quality controls, external quality controls, and compliance with laws and regulations.

[https://www.ey.com/Publication/vwLUAssets/EY\\_2017\\_Åpenhetsrapport/\\$File/EY-2017-åpenhetsrapport-norge.pdf](https://www.ey.com/Publication/vwLUAssets/EY_2017_Åpenhetsrapport/$File/EY-2017-åpenhetsrapport-norge.pdf)

### **Code of Conduct**

EY wish to promote a culture of integrity among EY's partners and employees. The Global Code of Conduct has clear principles that guide EY in their actions and the way they do business and are to be complied with by everyone in EY. The Code of Conduct is divided into five categories:

- Collaborate with each other
- Collaborate with customers and others
- Act with the professional integrity requirements
- Secure their objectivity and independence
- Respect for intellectual capital

Through EY's efforts to monitor compliance with the Code of Conduct and through frequent communication, they strive to create an environment that encourages all employees to behave responsibly and report any deviations without fear of reprisals.

EY also have EY Ethics Hotline, a global alert service, which allows EY's customers, partners, employees, and others outside the organization to confidentially report activity that may be unethical, inappropriate or contrary to professional standards. EY Ethics Hotline is run by an external organization that provides confidential, and if desired anonymous, hotline services for companies worldwide.

[https://www.ey.com/Publication/vwLUAssets/Ernst-Young\\_Global\\_Code\\_of\\_Conduct/\\$FILE/EY\\_Code\\_of\\_Conduct.pdf](https://www.ey.com/Publication/vwLUAssets/Ernst-Young_Global_Code_of_Conduct/$FILE/EY_Code_of_Conduct.pdf)

### **3.2.4 Technology**

#### **Technology focus**

May 2017 Ernst & Young launched a new technology department in Norway. The focus was on advisory and consulting services for customers who want to move their computer systems into the cloud. EY is convinced that this is an area of high growth potential. The role of system integrator is new to EY and means that they will compete more against players like Accenture, Sopra Steria and a lot of others. The company's width will make them stand out from their competitors. EY can draw on lawyers, tax and regulatory experts, technical consultants, certification expertise, and dedicated IT security team working on penetration testing.

<https://www.digi.no/artikler/ey-tar-opp-kampen-med-systemintegratorene-vil-sende-norske-kunder-ut-i-nettskyen/383047>

#### **Technological alliances**

On a global level, EY has formed alliances with GE Digital, IBM, Microsoft and SAP, to blend emerging technology in areas such as Blockchain, machine learning, Internet of Things and cybersecurity with business innovation to help clients solve their most complex issues and maintain competitive advantage as they transform to a digital organization.

They also work with a wide range of organizations including Los Alamos National Laboratory to help combat cyber threats, and the Johns Hopkins Armstrong Institute for Patient Safety and Quality to help improve patient safety, operational efficiency and clinical outcomes. Together, they can create a ripple effect of business value beyond what either organization can bring alone.

<https://betterworkingworld.ey.com/purpose/global-review-2017>

Microsoft has announced an ambitious plan to collect royalty payments for authors, software developers, and other creators using blockchain technology, which creates a tamper-proof record system across multiple computers. The project aims to streamline the current process of tracking and collecting copyright payments, which has long relied on a series of middlemen, and which critics say shortchanges creators. EY has been a part of designing this technology solution to serve any industry where intellectual property or assets are licensed to other parties and where the creators are paid royalties based on royalty agreements. When the project is fully deployed, the companies predict they will be able to process millions of transactions a day, and

replace a royalty distribution process that can take 45 days, with one daily pay-out. The process, which relies on a species of blockchain technology known as Quorum, is also designed to protect confidential business arrangements. <http://fortune.com/2018/06/20/microsoft-and-ey-launch-blockchain-tool-for-copyright/>

### **Technology in audit**

EY Global Audit Methodology (EY GAM) is a global framework for delivering high quality audit services through consistent use of thought processes, assessments and procedures in all audit missions. To carry out risk assessments, review and modify them when appropriate or necessary, and using these assessments to determine the type, timing and extent of audit procedures are fundamental to EY GAM. The methodology also places emphasis on using professional skepticism in the performance of audit procedures. EY GAM is based on the International Audit Standards (ISAs) and is supplemented in Norway with what is required to comply with Norwegian laws and regulations.

Through the use of technology, EY's auditors select auditing angles for each audit client's reporting requirements. EY GAM has procedures that must be implemented to ensure compliance with ethical guidelines, including independence to the audit client.

EY started the implementation of EY Canvas, their global audit platform, which is central for delivering high quality audits, by the end of 2015, and was completed in 2017. EY Canvas is built with HTML5, state-of-the-art technology for web applications. This makes it possible to improve data security and makes it easy to further develop their software to respond to changes in the audit profession and regulatory framework conditions

EY Helix is EY's suite of data analysis tools for use in auditing. Data analysis changes the audit by analyzing major stocks of audit-relevant information, identifying invisible patterns and trends in the information, and helping to make their audit work more targeted. The use of data analysis also gives EY better perspectives, richer insights and a deeper understanding of transactions and risk areas.

[https://www.ey.com/Publication/vwLUAssets/EY\\_2017\\_Åpenhetsrapport/\\$File/EY-2017-åpenhetsrapport-norge.pdf](https://www.ey.com/Publication/vwLUAssets/EY_2017_Åpenhetsrapport/$File/EY-2017-åpenhetsrapport-norge.pdf)

### **3.2.5 Corporate social responsibility**

A better working world is one where everyone can contribute to, and share in, the benefits of economic growth. A commitment to driving inclusive growth is at the heart of fulfilling EY's purpose and their approach to corporate responsibility.

EY believe business can and must do more to foster the kind of economic growth that benefits everyone, not just a few. More than doing business responsibly, that means applying the knowledge, skills and experience used in EY's business every day to help address society's toughest challenges.

This belief is reflected in EY's social impact programs, which extend the value of their knowledge and services to people and places they might not otherwise reach – to impact entrepreneurs at the forefront of accelerating quality job creation and affordable access to basic goods and services. EY divide their commitment to corporate social responsibility into three main areas, the 3 E's, which are tailored to EY's business strategy and crucial to improving and developing key markets: Education, entrepreneurship, environmental sustainability.

<https://www.ey.com/no/no/about-us/corporate-responsibility/samfunnsansvar>

#### **Education**

EY's strategy is to recruit and develop employees who deliver value to customers and facilitate sustainable economic development. Each year they recruit several hundred employees, many right from colleges and universities. They offer continuous professional development and valuable experience. Their knowledge-transferring role is a way to provide intellectual capital to the Norwegian society - and their clients.

EY's staff are lecturers at a number of universities and colleges. EY also collaborate with a number of selected educational institutions where business students are offered internships to gain insight into the audit and advisory profession. EY's course activities are one of the ways in which they do knowledge sharing. By offering ongoing courses and seminars on relevant topics at their offices across the country, EY ensure that their clients stay up to date in their areas.

<https://www.ey.com/no/no/about-us/corporate-responsibility/utdanning>

## **Entrepreneurship**

EY wants to support and honor growth creators who contribute to new ideas, invest capital and make self-interest in creating lasting values and jobs. Therefore, EY has taken the initiative for the EY Entrepreneur Of The Year program, the world's largest growth program, organized in more than 50 countries worldwide. The goal is to emphasize and inspire active owners for further growth and value creation as well as increasing interest in entrepreneurship.

<https://www.ey.com/no/no/about-us/corporate-responsibility/entreprenorskap>

## **Environmental sustainability**

EY is actively working to minimize their impact on the environment. EY's Climate Change and Sustainability Services helps their customers and their communities seize opportunities in the transition to a resource efficient and low-carbon economy. Because EY believes that commitment to a greener world must begin with their own business, they challenge themselves to work in an environmentally sound manner and to find new ways to reduce their carbon footprint.

EY's global social responsibility strategy involves taking responsibility for the environment by reducing their impact as much as possible. EY have adopted five measures to improve their environmental impact worldwide:

1. Measure and reduce our carbon emissions by collecting and analyzing data usage on our offices and business trips
2. Set goals for our internal business to promote environmentally sustainable business operations
3. Introduce an environmentally friendly travel policy
4. Introduce an environmentally friendly meeting policy
5. Develop guidelines for waste management

<https://www.ey.com/no/no/about-us/corporate-responsibility/barekraft>

### **3.2.6 Alliances and important clients**

EY and its alliances work together as an integrated team to help clients maximize their current and future technology investments and drive better business outcomes. Their alliances expand EY's digital capabilities and the range of services they can offer their clients. One or more member firms of Ernst & Young Global Limited participate in alliances with the following companies:

Adobe, Blackline, Cisco, Dell Technologies, Wolters Kluwer, GE Digital, Guidewire, IBM, Jda., John Hopkins Medicine, LinkedIn, Los Alamos National Laboratory, Microsoft, Mott McDonald, OpenText, P&G, Pega, SAP, SAS, Servicenow, your encore.

<https://www.ey.com/gl/en/about-us/our-alliances>

Some of the important clients for EY Global: Hewlett Packard, Verizon, State Street, AT&T and Coca Cola

<https://big4accountingfirms.com/ernst-and-young-clients/> (full list of 50 most important clients globally)

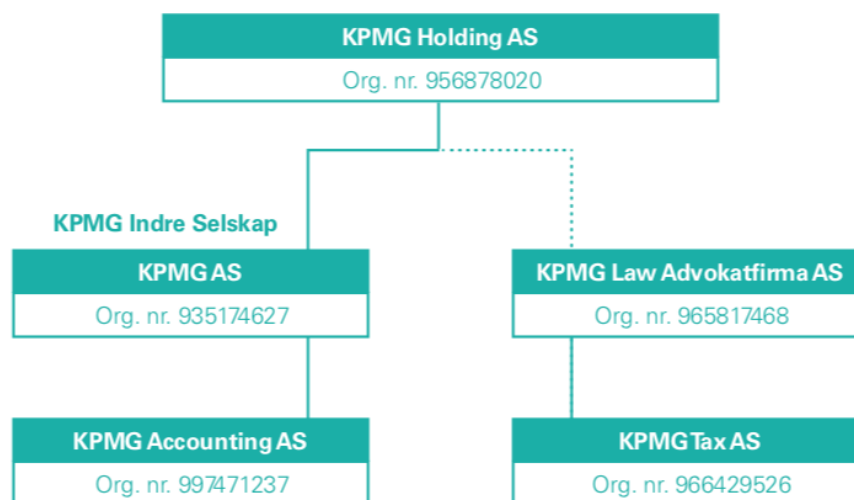
### **3.3 KPMG**

#### **3.3.1 Organization**

##### **Local**

KPMG Accounting AS is a wholly owned subsidiary of KPMG AS. The independent company KPMG Law Advokatfirma AS, including the subsidiary KPMG Tax AS, is a collaborating company in accordance with Section 4-7, first paragraph, of the Norwegian Auditors Act. KPMG Law Advokatfirma AS is organized and run in accordance with the provisions of the Norwegian Courts of Justice Act.

KPMG Holding AS is authorised as an auditing firm in accordance with the provisions of the Norwegian Auditors Act. However, KPMG Holding AS does not perform any audit activities or deliver other services directly to clients.



Services are provided to clients through the subsidiary KPMG AS (Auditing and Advisory), the subsidiary KPMG Accounting AS (Certified Public Accountants) and the collaborating company KPMG Law Advokatfirma AS. KPMG Indre Selskap’s activities cover all business performed by KPMG AS; however, KPMG Indre Selskap has no external profile. KPMG AS is an auditing firm, authorised in accordance with the Norwegian Auditors Act and is the elected auditor for all their audit clients.

KPMG Norway is a group of companies organized under Norwegian law, owned by the partners. The group of Norwegian KPMG companies is managed and led as a single entity by the Norwegian Group Management. All the companies in the Group have established the corporate bodies required under Norwegian corporate legislation. The General Meeting of KPMG Holding AS is the ultimate decision-making body of KPMG Norge, and the CEO of KPMG Norway is Arne Frogner.

<https://home.kpmg.com/no/nb/home/om-kpmg/var-virksomhet/organisasjon-og-ledelse.html>

The Company Meeting is the ultimate decision making body in KPMG Indre Selskap. All Norwegian partners participate in the internal company. KPMG AS is the Principal, fully liable participant in KPMG Indre Selskap and represents the company externally.

<https://assets.kpmg.com/content/dam/kpmg/no/pdf/2017/transparency-report-2017-kpmg-norway-en.pdf>



## **Global**

KPMG International Cooperative (“KPMG International”) is a Swiss cooperative which is a legal entity formed under Swiss law. It is the entity with which all the member firms of the KPMG network are affiliated.

KPMG International’s structure is designed to support consistency of service quality and adherence to agreed values wherever in the world their member firms operate. Client services are provided by KPMG member firms. Each KPMG firm is separate and legally distinct. KPMG International does not provide services to clients.

Member firms are located in 154 countries and territories. Collectively, they employ 197,263 people. KPMG’s member firms commit themselves to a common set of KPMG values. Firms must abide by quality standards governing how they operate and how they provide services to clients. Each KPMG member firm takes responsibility for its management and the quality of its work. Partners and professionals within those firms undertake to act with integrity at all times.

<https://home.kpmg.com/xx/en/home/about/governance/structure.html>

The Global Board is the principal governance and oversight body of KPMG International. Its key responsibilities include approving long-term strategy, protecting and enhancing the KPMG brand and approving policies and regulations. It includes the Chairman, the Deputy Chairman and the Chairman of each of our three regions (the Americas, Asia Pacific, and Europe, the Middle East and Africa (EMA)).

The Global Management Team works under the supervision of the Global Board, with other leadership groups, on key priorities including developing global strategy and driving alignment between KPMG member firms, functions and sectors. The Global Council of KPMG International focuses on high-level governance tasks and facilitates discussion with and between the member firms. It includes representation from 58 member firms.

<https://assets.kpmg.com/content/dam/kpmg/no/pdf/2017/kpmg-aapenhetsrapport-2017.pdf>

<https://assets.kpmg.com/content/dam/kpmg/xx/pdf/2016/12/international-supplementary-report-2016.pdf>

### ***Global Mobility program***

Serving clients means providing the right teams and resources wherever clients operate around the world. KPMG's Global Mobility program benefits these clients, while providing exciting opportunities for KPMG professionals to gain valuable experience working in different member firms across the 154 countries and territories in the KPMG network. It is an important way to bring the very best of KPMG to wherever it is needed most. 99 countries and territories across the KPMG network participate in the global mobility program. The program has had 2 689 active assignments in FY17, the average assignment length was 21 months and 50 % of the assignments were audit, 26 % advisory, 15 % tax and 9 % support.

<https://assets.kpmg.com/content/dam/kpmg/no/pdf/2017/transparency-report-2017-kpmg-norway-en.pdf>

### **3.3.2 Recruitment and employees**

#### **Recruitment**

A questionnaire done by Universum on the most attractive workplaces for graduated students show that KPMG is not among top 5. This includes business students, engineer and science students, IT students, law students, health and medicine students and humanities students.

<https://e24.no/naeringsliv/jobbytte/dette-er-studentenes-droemnearbeidsgivere/24325783>

Among the nordic countries however, KPMG is number 10 on the list of most attractive workplaces for business students.

<https://e24.no/privat/universum-listene/ey-mest-attraktiv-blant-oekonomistudenter-papirene-er-inngangsbilletten/24072862>

Everyone who applies to work with KPMG, regardless of the level or role, must be registered in their online recruitment system. This system gathers all relevant candidate information (applications, CVs, certificates and references), along with candidates' self-assessment of key qualities and attributes. In interviews KPMG attach importance to candidates' integrity, along with their ability and desire to further develop skills and expertise.

<https://assets.kpmg.com/content/dam/kpmg/no/pdf/2017/transparency-report-2017-kpmg-norway-en.pdf>

To attract the best talent from universities, KPMG are present at career days at several campuses. They also arrange case competitions, offer internships and part-time work for

students. Graduate students get their own mentor who help them get settled in their new job. As part of the onboarding program, graduates have a two week “business school” in Vilnius where they have an intensive professional and social start at their career at KPMG. After the Business school, KPMG help the new graduates set up a individual development program that ensure they gain the competency needed for their chosen career path.

<https://home.kpmg.com/no/nb/home/karriere/student/den-beste-starten-paa-karrieren.html>

### **Employees**

KPMG’s policy requires all their professional staff to maintain their professional expertise and comply with applicable regulations, including requirements for continuing professional development. KPMG give their partners and staff the opportunity to satisfy competence development requirements and achieve their personal development goals. KPMG do this by facilitating professional training in combination with skills training, where relevant. Their programmes for expertise and management development cover all experience levels and all business areas. The content of the courses is regularly reviewed and updated to reflect prevailing requirements for professional expertise.

All professional staff, including partners, have annual performance appraisals with their personnel manager. Individual goals are established based on KPMG’s global expectations relating to professional expertise and other skills at the various experience levels. Each professional is evaluated with regard to achievement of individual goals, demonstrated skills and behaviours, and maintenance and execution of the group’s values.

<https://assets.kpmg.com/content/dam/kpmg/no/pdf/2017/transparency-report-2017-kpmg-norway-en.pdf>

### ***The KPMG Master of Accounting with Data and Analytics Program***

The KPMG Master of Accounting with Data and Analytics Program has been developed by KPMG in the US with leading universities to help educate and provide opportunities to the next generation of accounting professionals. The program is designed to enhance students’ critical thinking and problem solving skills with a curriculum that combines advanced accounting with specialized courses in data and analytics, including hands-on use of software tools and data sets that are actually being used by KPMG professionals.

The program was developed with The Ohio State University Max M. Fisher College of Business and the Villanova School of Business and has been expanded to seven more universities in the US, with plans underway for expansion to multiple countries. KPMG recognizes the need to be a driving force in shaping the future of accounting talent and to help prepare an emerging workforce for the explosion of data and the rapid advance of technologies that are changing the landscape of the accounting profession. The Master of Accounting with Data and Analytics Program will help better prepare future accounting professionals for the digital age, which will ultimately enable KPMG professionals to deliver greater value to clients and the markets they serve.

<https://assets.kpmg.com/content/dam/kpmg/xx/pdf/2017/12/international-annual-review-2017.pdf>

### **3.3.3 Way of Working**

#### **Code of conduct**

KPMG's Code of Conduct is one of their most important documents. It expressly lays out the expectations of ethical behavior for all their people, built on the foundation of the KPMG Values, their shared set of beliefs and principles.

The Code provides an important framework for KPMG's people and their organization as they navigate an increasingly complex, interconnected and uncertain marketplace. KPMG and their people commit to acting lawfully, ethically and in the public interest.

While compliance with applicable laws, regulations, professional and quality standards is fundamental, their commitments extend beyond compliance to broader obligations to clients, colleagues and society as a whole. Their collective commitments are as follows:

- Complying with laws, regulations and standards
- Working with the right clients and third parties
- Focusing on quality
- Maintaining our objectivity and independence
- Not tolerating illegal or unethical acts
- Protecting information
- Competing fairly
- Helping our people to be extraordinary
- Being responsible corporate citizens
- Building public trust

<https://assets.kpmg.com/content/dam/kpmg/xx/pdf/2018/02/global-code-of-conduct.pdf>

### **Quality control system**

The Norwegian Auditors Act requires Norwegian auditing firms to establish a quality control system. Detailed provisions on the establishment and maintenance of quality control systems are laid down in the ISQC 1 standard – Quality control of firms that perform audits and reviews of financial statements, and other assurance and related services engagements. The international standards are embedded in KPMG International’s mandatory requirements and guidelines for all enterprises incorporated in the KPMG network. Although many of the provisions of the standard essentially only apply to their audit practice, KPMG has chosen to adopt these principles across all their activities. In addition to the statutory standards described in ISQC 1, they also maintain systems for quality control designed to comply with the regulations and the standards issued by other international authorities, including the US Public Company Accounting Oversight Board (PCAOB).

The main elements of the quality control system are as follows:

- management strategy and culture “tone at the top”
- association with the right clients
- clear standards and robust audit tools
- recruitment, development and assignment of appropriately qualified personnel
- commitment to technical excellence and quality service delivery
- performance of effective and efficient audits
- commitment to continuous improvement

<https://assets.kpmg.com/content/dam/kpmg/no/pdf/2017/transparency-report-2017-kpmg-norway-en.pdf>

### **Ensuring independence**

KPMG attach significant importance to ensuring independence in dealings with their clients, and that their work and deliveries are characterised by integrity, high ethical standards and objectivity. A key element of this work involves ensuring that partners and staff who serve clients do not find themselves in situations that could impact or raise doubts as to the auditor’s independence and objectivity.

KPMG complies with the requirements governing independence established in the Norwegian Auditors Act and the Norwegian Institute of Public Accountants’ ethical guidelines, which are based on the International Federation of Accountants’ (IFAC) “Code of Ethics for Professional

Accountants”. However, in cases where the Norwegian Auditors Act imposes more stringent requirements than IFAC’s regulations, the requirements of the Norwegian Institute of Public Accountants are adapted to those of the Norwegian Auditors Act. The IFAC’s regulations are also incorporated into KPMG’s global requirements and guidelines that apply to all member countries in the network. Since KPMG has to comply with several sets of rules governing independence, the company at all times adopts a principle of applying the most stringent regulation.

The guidelines on independence cover personal independence of individuals and their related parties, connections after a position has been vacated, partner rotation and approval of auditing and other services. The guidelines are closely monitored to ensure that they are updated in accordance with changes in regulations.

<https://assets.kpmg.com/content/dam/kpmg/no/pdf/2017/transparency-report-2017-kpmg-norway-en.pdf>

### **3.3.4 Technology**

#### **Audit technology**

eAudIT, KPMG’s global audit platform, is used to perform all their audit engagements. The platform contributes to effective management and implementation of the auditing process, from planning and risk assessment through to the auditor’s conclusion and reporting. All audit documentation is registered and stored electronically. eAudIT is designed to help the user to consistently make the right choices in accordance with the requirements of KPMG’s audit methodology (KAM). It also contains extensive knowledge databases that, together with a number of industry models, ensure an efficient audit process in compliance with applicable standards, laws and regulations.

At KPMG they apply data and analytics (D&A) to traditional audit testing in order to perform smarter and more efficient audits. D&A represents both a critical business area and an important strategic focus for the company. This was highlighted when The Forrester Wave in 2017 named KPMG the global leader among consultancy firms offering D&A. D&A helps to improve the quality of deliverables by analysing large populations of both structured and unstructured data. This also provides KPMG with a deeper insight into their clients’ controls, accounting practice and reporting processes, which in turn affords a greater understanding of the business, its risks and operating environment.

Last year, KPMG launched a brand-new platform for communication and collaboration with their clients. KPMG Clara is an online solution that facilitates efficient, real-time communication. The new global audit platform, KPMG Clara, can manage the higher data volumes resulting from D&A, and provides scope for future improvements. KPMG Clara enables KPMG to share information with and provide direct access to our advanced tools and to ensure that our clients gain a continually updated overview of progress, open issues, and important findings in various areas of audit work.

<https://assets.kpmg.com/content/dam/kpmg/no/pdf/2017/transparency-report-2017-kpmg-norway-en.pdf>

<https://home.kpmg.com/no/nb/home/tjenester/skatt-og-avgift/digitale-verktoy.html>

### **Google alliance**

KPMG International has announced an alliance with Google to help businesses deliver new digital experiences. The alliance will help businesses change their business and operating models through digital innovation, including machine learning technology, artificial intelligence (AI), enterprise mobility, advanced data analytics and secure cloud solutions.

As part of the collaboration, KPMG is creating a portfolio of industry solutions built on Google Cloud Platform (GCP). KPMG member firms are engaging with clients on solutions for financial services, insurance, healthcare, manufacturing, and retail, among other industries. These solutions, including customer service solutions, contract management, cyber security, regulatory compliance and business and process performance, will benefit from GCP's trusted security, advanced data analytics and ML.

"This is a very exciting alliance with one of the world's largest technology companies. Today, technology is in everything and we see that when we combine our strategic and advisory skills with leading technological solutions, we can provide unique assistance to customers who are in the middle in their digital transformation projects", says Rune Skjelvan, head of KPMG's advisory unit in Norway.

<https://home.kpmg.com/no/nb/home/nyheter-og-innsikt/2018/06/kpmg-og-google-inngar-alliance.html>

### **KPMG Digital**

KPMG has built a strong advisory environment under the branch "digital transformation". At the beginning of 2018 they count approximately 60 heads. But it does not stop there. By the end of the year, the department will go up at least one size, and they will need people who will help strengthen and further develop the initiative.

KPMG Digital has an exciting range of profiles and service portfolios, from Yngve Fjell's "Digital Customer Experience" area, to "Digital Enterprise", which ensures that IT architecture, management and operating models reflect the business strategy, "Digital Capabilities" with focus on digital platforms, business applications and cloud solutions, and "Digital Operations" where it is about optimizing and streamlining processes through robotics and artificial intelligence, machine learning and use of data and analytics.

"What distinguishes KPMG from many other players in the digital advisory landscape is the focus on diversity in competence and interdisciplinary teams in customer projects. Digitalization and change affect many business their width, KPMG can assist in every aspect", says Senior Associate Isabelle Tomren, one of KPMG Digital's experts at Microsoft Dynamics.

<https://home.kpmg.com/no/nb/home/nyheter-og-innsikt/2018/02/60-digitale-hoder-vil-bli-flere.html>

<https://home.kpmg.com/no/nb/home/nyheter-og-innsikt/2018/04/digitalisering-handler-ikke-om-a-fylle-bedriftene-med-teknologi.html>

### **3.3.5 Corporate responsibility**

At KPMG, Corporate Social Responsibility involves integrating social and environmental considerations into their strategy and daily operations. As a supplier of professional services, they help their clients to ensure that their operations are legal, future-proof and sustainable. They use their expertise and experience to improve society, including through pro bono work. Their business is run responsibly, and based on environmentally certified operations, a sound working environment, a culture that promotes inclusion and diversity and an ethical and value-based approach. They demonstrate their social commitment by partnering with NGOs and social entrepreneurs to deliver pro bono services and financial support, and by highlighting the important work they perform.



Corporate Social Responsibility is high on KPMG's agenda, both nationally and internationally. They shall operate their business from a healthy, long-term and sustainable perspective, with a focus on colleagues, society and the environment. They are committed to everything from key issues in the local communities where they are represented to major global challenges such as anti-corruption initiatives, climate change and human rights.

KPMG's approach to Corporate Social Responsibility is based on the UN's sustainable development goals. They have selected four goals they believe are well suited to their strategic focus and orientation. These are:

- Quality education
- Gender equality
- Reduced inequalities
- Life below water

KPMG has a long history when it comes to Corporate Social Responsibility, and has implemented a wide range of different projects and activities over many years.

This categorisation does not prevent them from performing pro bono work or other CSR activities within the remaining sustainable development goals while they are focusing on one particular goal. An important part of KPMG's CSR work involves offering their specialist expertise free of charge to NGOs with limited budgets and assignment backlogs. By encouraging their employees to identify worthy causes that could benefit from their commercial experience and professional skills, KPMG helps to change society for the better.

KPMG is environmentally certified in accordance with the Eco-Lighthouse scheme. The work they have performed to achieve the ECO-Lighthouse scheme has strengthened their internal environmental work.

<https://assets.kpmg.com/content/dam/kpmg/no/pdf/2017/transparency-report-2017-kpmg-norway-en.pdf>

### **3.3.6 Alliances and important clients**

Among the Big Four auditors KPMG has the highest rating on customer satisfaction on audit and accounting services, where reliability and work meet the expectations of the companies. KPMG scores 75,5% on customer satisfaction, while other small and medium sized audit firms have the highest rating with 80,4%.

<https://e24.no/naeringsliv/regnskap/disse-kommer-best-og-daarligst-ut-bedriftenes-revisor-dom/24073988>

Through a strong ecosystem of relationships with more than 70 organizations across the KPMG network, KPMG provides clients with access and insights from market leaders in technology, data and services whose strong expertise directly complement and enhance KPMG's methodologies, business acumen and deep industry knowledge.

Working with market leaders such as Microsoft, Oracle and IBM, to name only a few, is complemented by KPMG's relationships with a wide and varied group of start-ups, internationally recognized academic institutions and not-for-profit organizations. This diversity, coupled with an existing alliance framework, enables KPMG to deliver increased value, expand the range and availability of solutions across the globe and bring the best of both KPMG and trusted alliances to clients.

By working as part of these alliances, KPMG offers scalable technology platforms and innovative digital business solutions helping clients move more of their operations and services to the cloud and developing technology-led solutions that enhance their operational effectiveness and improve organizational efficiency.

<https://assets.kpmg.com/content/dam/kpmg/xx/pdf/2017/12/international-annual-review-2017.pdf>

Strategic alliances KPMG Global:

ADP, Appian, Apptio, Aptitude Software, Automation Anywhere, BlackLine, Blue Prism, Case Commons, Coupa, CyberArk, Cylance, Dell Boomi, Flexera Software, Google, HPE, IBM, Ivalua, JDA, MetricStream, Microsoft, Nasdaq Bwise, Okta, Oracle, Ping Identity, RSA, SailPoint, SAS, ServiceNow, Taulia, Thomson Reuters, Trintech, Vertex, Workday.

Some of the most important clients for KPMG globally: Accenture, Halliburton, Citigroup, General Electric and Deutsche Bank

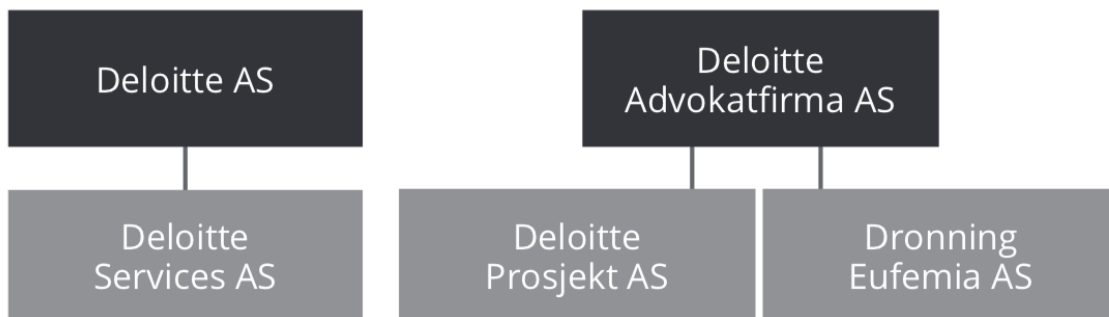
<https://big4accountingfirms.com/kpmg-audit-clients/> (list of the 36 most important clients for KPMG globally)

### 3.4 Deloitte

#### 3.4.1 Organization

##### Local

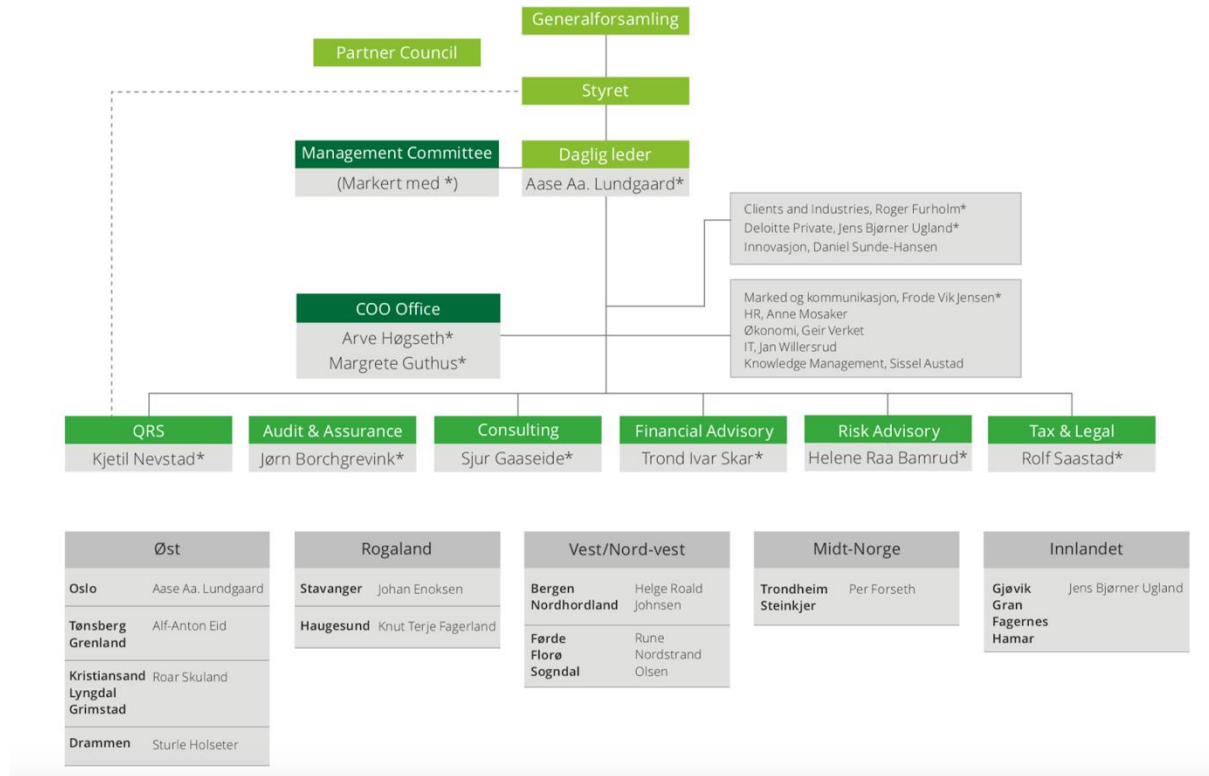
Deloitte AS is owned by the currently active Deloitte partners, including the lawyer partners, who together own 100% of the A shares, and by Deloitte NWE LLP, which owns 1 B-share (100% of B-shares) and has 2/3 of the votes at the company's General Assembly.



For the sake of internal corporate law, Deloitte AS is the main character (Hovedmann) and responsible participant (ansvarlig deltaker) in Deloitte Norway Indre Selskap (IS), and the partners are silent participants (stille interessenter). The corporate form of Indre Selskap is an appropriate organization to regulate internal relationships between partners and mutual relationships. Deloitte Norge IS does not act as a company.

The service areas Audit & Assurance, Risk Advisory, Consulting and Financial Advisory is included in Deloitte AS. The Tax & Legal service area is included in Deloitte Advokatfirma AS. Deloitte Advokatfirma AS is owned by the lawyer partners and is linked to Deloitte AS through the Deloitte agreement. In addition, Deloitte Advokatfirma AS owns a company - Dronning Eufemia AS - but it does not operate as a company, as it is a holding company in connection with the establishment of companies on behalf of clients.

The General Assembly is the highest body in Deloitte Norge. The board elects the CEO after acceptance from the General Assembly. The CEO at Deloitte Norge is Aase Aa. Lundgaard. The CEO is part of the Management Committee, which consist of CEO, the leaders from the COO Office, the leader from Clients and Industries, Deloitte Private Market, and Reputation & Risk Leader.



[https://www2.deloitte.com/content/dam/Deloitte/no/Documents/about-deloitte/deloitte-FY17\\_aapenhetsrapport.pdf](https://www2.deloitte.com/content/dam/Deloitte/no/Documents/about-deloitte/deloitte-FY17_aapenhetsrapport.pdf)

## Global

Deloitte AS is affiliated with the international network Deloitte Global, which consists of companies that provide similar services worldwide and who cooperate through Deloitte Touche Tohmatsu Limited (DTTL). Each country's national company are separate and independent legal entities. The member firms operate under the Deloitte name, such as Deloitte, Deloitte & Touche, Deloitte Touche Tohmatsu, Tohmatsu and the like. DTTL is funded with annual contingents paid by member firms. DTTL has no partners or owners, does not provide services and has no ownership interests or management features in member firms.

The member firms provide professional services within their area and in accordance with the laws, regulations and professional requirements applicable to the countries in which the

member firms operates. The member firms are owned by partners in each country and are organized in accordance with the laws of each country.

The member firms participate in the network with the primary purpose of coordinating customer service, professional standards, values, methods and systems for quality control and risk management. DTTL has determined certain policies and procedures within the individual areas, with the aim to establish a consistent high quality, professionalism and service. The strength of the network lies in the combination of high quality standards and common methodology with understanding of local markets and individual responsibility and commitment for its own member firm.

In 2017 an agreement was signed where Deloitte North-West Europe (NWE) LLP (Deloitte NWE), a UK limited liability partnership, with effect from June 1st 2017, is the new member firm in DTTL, which Deloitte AS is part of. Deloitte NWE includes the former member firms in the UK, the Netherlands, Belgium, Denmark, Finland, Iceland, Norway and Sweden. The mentioned companies will continue to provide services to clients in their respective countries as separate legal companies and in accordance with current professional regulations. Deloitte NWE is registered at the Institute of Chartered Accountants in England and Wales (ICAEW), but does not undertake client assignments.

[https://www2.deloitte.com/content/dam/Deloitte/no/Documents/about-deloitte/deloitte-FY17\\_aapenhetsrapport.pdf](https://www2.deloitte.com/content/dam/Deloitte/no/Documents/about-deloitte/deloitte-FY17_aapenhetsrapport.pdf)

Deloitte North West Europe will combine the breadth and depth of capabilities of eight market leading member firms. The investments Deloitte is making will allow them to better serve the needs of their clients who are operating in a more globally connected way than ever before, and continue their relentless focus on quality. It will also allow them to offer career development opportunities for their people, helping them to attract, develop and retain the very best talent across the region.

Punit Renjen, Deloitte Global CEO, said: “Our strategy is to deliver services to clients as one seamless global organization. In addition to expanding our capabilities, expertise and insights, our increased scale will enable us to accelerate investments in the types of innovations that transform and advance our clients’ business.”

Deloitte North West Europe will account for approximately 20% of all revenue within Deloitte's global network.

<https://www2.deloitte.com/ch/en/pages/press-releases/articles/deloitte-creates-north-west-europe-firm.html>

### **3.4.2 Recruitment and employees**

#### **Recruitment**

A questionnaire done by Universum on the most attractive workplaces for graduated students show that Deloitte is top three on the list for business students.

<https://e24.no/naeringsliv/jobbytte/dette-er-studentenes-droemnearbeidsgivere/24325783>

Deloitte is visible for students by attending career days at universities, offer internships and corporate presentations at several campuses. The recruitment process starts with jobseekers registering their CV and application in an online system. Thereafter, an online tool, Cut-e, are used to measure different capabilities among the jobseekers.

[https://www2.deloitte.com/no/no/pages/careers/articles/studenttilbud0.html?icid=top\\_studenttilbud0](https://www2.deloitte.com/no/no/pages/careers/articles/studenttilbud0.html?icid=top_studenttilbud0)

[https://deloitte.recman.no/job.php?job\\_id=64418](https://deloitte.recman.no/job.php?job_id=64418)

After employment, part of the onboarding program for graduate students include a week at Norefjell where the employees get an introduction of how Deloitte works, the code of conduct and so on. Deloitte also have a counselor arrangement, where the counselor is the person who supports and follows up on graduates career development. In pair they set short-term and long-term goals and try to work towards these.

<https://www2.deloitte.com/no/no/pages/careers/articles/muligheter-i-deloitte.html>

#### **Employees**

Deloitte has established an internal education program with mandatory and voluntary courses that will ensure competence enhancement and updating of existing knowledge. The education requirement in Deloitte is significantly higher than the requirements of the auditors regulation and applies to employees at all levels. Employees without auditor training must undergo training in auditing and accounting. The program for approved auditors includes subjects such

as specialization in IFRS and US GAAP, accounting, auditing topics, methodology, attestation, tax, company law, ethics and independence as well as assignment management.

### **3.4.3 Way of working**

#### **Code of conduct**

Deloitte in Norway is a member of Deloitte Network, a group of member companies of Deloitte Touche Tohmatsu Limited. DTTL and its member companies have a common purpose and shared values as a basis for all their business. In 2016, DTTL formalized "Global Principles of Business Conduct". These build on the already established ethical principles of DTTL. All member companies have developed a "Code of Conduct". Deloitte in Norway has chosen to name the "Code of Conduct" with the professional title "Values, ethical principles and moral actions in the practice of Deloitte".

Deloitte has sorted their moral actions under corporate responsibility, client responsibility and collegial responsibility. This section shows who Deloitte is responsible for in their professional practice.

- Deloitte commits to serving clients with distinction through: integrity, quality, professional behaviour, objectivity, competence, fair business practices, and confidentiality, privacy and data protection.
- Deloitte commits to inspiring their talented professionals to deliver outstanding value through: respect, diversity and fair treatment, and professional development and support.
- Deloitte commits to contributing to society as a role model for positive change through: anti-corruption, responsible supply chain, and social responsibility.

[https://www2.deloitte.com/content/dam/Deloitte/no/Documents/about-deloitte/2016\\_Code\\_of\\_conduct.pdf](https://www2.deloitte.com/content/dam/Deloitte/no/Documents/about-deloitte/2016_Code_of_conduct.pdf)

### **Quality control system**

Deloitte has, in accordance with the requirements of the Norwegian Public Accountants Act (revisorloven), established a quality system that meets the requirements of the quality control standard (ISQC 1).

The factors in the quality system that are subject to quality assurance and control are compliance, quality and independence.

It is absolutely fundamental that laws and regulations that apply to audit activities are complied with. However, Deloitte considers quality as more than compliance with legal requirements and application of audit standards in performance. Quality therefore means more than the absence of errors, shortcomings and weaknesses. Quality will also provide an experience of cooperation, ethical conduct and integrity and imply expectations. Similarly, Deloitte emphasizes that the independence of the auditor should not only be measured as compliance with specific rules, but also that there should be no doubt about our independence or circumstances that are likely to impair Deloitte's trust as auditor.

Achieving quality and compliance with independence requirements as Deloitte strives for requires more than organization, routines, systems and procedures. It's about personal behavior and culture. Through various measures, Deloitte has put considerable emphasis on creating the right attitudes, encouraging professional behavior and expecting engagement with their employees over several years. At the same time, the importance of a committed cooperation with, and a good relationship with, the audit clients is emphasized.

The description of the quality system covers Deloitte's professional practice as auditor in the Audit & Assurance business area. However, it also has an impact on the other business areas of Deloitte: Tax & Legal, Consulting, Financial Advisory and Risk Advisory. This is because of the independence rules for the auditor affects what personal and financial relationships partners and employees can have and what services can be provided from the other business areas to audit clients.



The components of Deloitte's quality system consist of Organization and Management, Deloitte Policy and Guidelines, Audit Policy and Guidelines, Mission-related Requirements, Internal Control and Monitoring, and External Quality Control.

[https://www2.deloitte.com/content/dam/Deloitte/no/Documents/about-deloitte/deloitte-FY17\\_aapenhetsrapport.pdf](https://www2.deloitte.com/content/dam/Deloitte/no/Documents/about-deloitte/deloitte-FY17_aapenhetsrapport.pdf)

### **GovLab**

Through the GovLab initiative, Deloitte assists public entities in their work on innovation aimed at solving some of the society's biggest challenges.

Working on innovation includes extensive involvement of users, market analyzes, development of innovation strategy, and the organization of innovation activities. All of these areas are offered through the GovLab initiative and in cooperation with Deloitte's other resources from, among other things, Monitor Deloitte (Strategy Unit), Deloitte Digital, as well as resources with special expertise on change management and value liberalization.

Deloitte offers assistance within all parts of an innovation course; from understanding important trends, developing innovation strategies and digital strategies, building internal innovation organizations, and implementing innovation and pilot projects.

Based on extensive research from Deloitte GovLab USA, the Netherlands, Dublin, Center for the Edge and Deloitte's own experience, they have identified five building blocks that are important for transformative innovation in the public sector:

1. Consciousness and understanding of senior management
2. A clear and inspiring innovation strategy
3. Management for transformative innovation; independent, fast and "on the edge" of the organization
4. Innovation using design; an approach to design with the user in the center, to build and scale up work on innovation
5. Mechanisms to finance and facilitate innovation

Deloitte is increasingly experiencing that public sector leaders look beyond national borders when they are going to get ideas about how they can create innovation in their own business.

GovLab is therefore a close cooperation between Deloitte's professional sectors in the public sector in several countries.

<https://www2.deloitte.com/no/no/pages/about-deloitte/articles/govlab-baerekraft.html>

### **3.4.4 Technology**

#### **Deloitte Digital**

Deloitte Digital is a new focus area and was launched in the Nordics in the fall 2016. Deloitte Digital is a bold and innovative part of Deloitte. They offer everything digital from strategy, multi-channel, bespoke development and managed solutions. Deloitte Digital is an innovative leader in online and mobile strategy, design and development, offering world-class knowledge and resources from the leading global business and technology consultancy.

Deloitte Digital work with a wide range of iconic local and global organizations, helping them understand and profit from the online and mobile revolution. Their focus is on the areas of digital strategy, mobile, social/web, content management and managed services. Underpinned by digital tech architecture, application implementation and development expertise.

Deloitte Digital have opened a studio at Barcode (Bjørvika) where they combine the creative power from digital heads with the consultants' understanding of the customer's business. Together they will make tomorrow's products and services.

<https://www2.deloitte.com/no/no/pages/technology/solutions/deloitte-digital-csf.html>

<https://www2.deloitte.com/no/no/pages/technology/articles/deloitte-digital-i-norge.html>

#### **Investing in exponentials**

Deloitte Global is also aggressively integrating transformational technologies and data analytics into its nonaudit solutions and services.

Deloitte's Financial Advisory business, for example, is adopting multiple platforms to support clients with new levels of insight and experience to help them solve complex business problems. Among them are a forensic digital platform that builds on Deloitte's use of analytics and technology to help clients identify inefficiencies, anomalies and issues in their systems. Further, the analytics platforms ValueD and iDeal allow Deloitte's M&A practitioners to quickly

understand their clients' complex situations. These platforms provide advanced insights on multiple levels, including industry benchmarks.

Deloitte Cyber Intelligence Centers around the world provide fully customizable solutions to help organizations proactively detect, respond and recover from security events - making them more secure, vigilant and resilient.

Tax & Legal expanded its ecosystem in FY2017 through six alliances with automation, cognitive and blockchain companies. Additionally, Deloitte's Business Process Solutions (BPS) and Tax practices have formed five strategic agreements with robotic process automation (RPA) vendors and created an RPA center of excellence. Deloitte Tax & Legal also enhanced client connectivity by introducing innovative technology-enabled solutions across all service areas through a new digital relationship platform.

<https://www2.deloitte.com/content/campaigns/global/global-report/global-report.html>

### **Apple alliance**

During FY2017, Deloitte and Apple joined forces to transform the way companies work by maximizing the power, ease-of-use and security the iOS platform brings to the workplace. Deloitte created a first-of-its-kind Apple practice with more than 5,000 strategic advisors and practitioners who are focused on helping businesses change the way they work across their entire enterprise—from customer-facing functions such as retail, field services and recruiting to R&D, inventory management and back-office systems.

Apple and Deloitte Consulting LLP (US) collaborated on the development of a new service offering called EnterpriseNext. It consists of tools and workshops designed to accelerate the process of ideation, prototyping and evaluating mobile opportunities for iPhone and iPad.

Among those tools, Brinker says, are iOS Value Maps that “help companies discover the highest-impact possibilities for iPhone and iPad within their industries, and then prioritize the most meaningful opportunities for mobile transformation.”

EnterpriseNext workshops are two-week sessions—held in Apple Design Labs, Deloitte Digital studios and Deloitte Greenhouse facilities around the world—that strive to turn ideas into prototypes. Once customer-specific prototypes are built, industry specialists and technical teams collaborate to develop custom iOS solutions that are easily deployable and integrate seamlessly with existing business platforms. In the year-plus since the alliance was announced,

Deloitte has been delivering Apple solutions, launching additional country practices and building industry-specific iOS capabilities.

<https://www2.deloitte.com/content/campaigns/global/global-report/global-report.html>

### **3.4.5 Corporate social responsibility**

Over many years, Deloitte Norway has been working on integrating corporate social responsibility and sustainability in their business. The foundation of Deloitte's work on corporate social responsibility and sustainability consists of:

- Do responsible business in their client assignments
- Be a responsible employer for their employees
- Be a responsible consumer in society.

In addition to this, they are committed to being a driving force for social innovation, and help to develop today's and tomorrow's solutions to the greatest societal challenges.

As a leading competence company, competence is a "red thread" in their work on corporate social responsibility and sustainability. They are committed to using their competence, their experience and their network to make a difference. They do this through WorldClass, strategic cooperation with ideal players and social entrepreneurs, pro bono projects, as well as seminars and lectures at institutions of higher education.

Deloitte also wants to use their position to put relevant topics on the agenda in the community debate. They do this through sharing insights and contributing to research and development, as well as through the debate scene The Waterfront Ideas.

<http://www.thewaterfront.no/om-oss/>

The activities range from competence-based activities to traditional voluntary work, such as on their Impact Day. <https://www2.deloitte.com/no/no/pages/about-deloitte/articles/deloitte-impact-day.html> By facilitating local involvement, Deloitte wishes to create pride and motivated employees that contribute to long-term value creation, both for clients and for their own organization

<https://www2.deloitte.com/no/no/pages/about-deloitte/articles/deloitte-samfunnsansvar-baerekraft.html>

## **WorldClass**

WorldClass is a global Deloitte initiative to create opportunities for millions. At Deloitte, they are inspired by the promise of the Fourth Industrial Revolution. Its acceleration of technology and digitization across all aspects of life present incredible opportunities. Globally, millions have been left behind, unable to fulfil their aspirations and potential. They lack the education, skills, and training needed. This is causing widening inequality, declining productivity, and rising social tensions.

Through WorldClass, Deloitte is applying their core skills, experience, and global reach to empower more people through education, skills development, and access to opportunity.

They are committing their most-valued asset—264,000 professionals around the globe—to create opportunities for those left behind. By collaborating with businesses, government, and educators, they can transform learning and enable individuals to access the skills they really need to meet future job demands.

In 2017, Deloitte invested over 1.5 mnok globally in CSR programs. Half a billion were spent on education and skills development, including over 410,000 working hours. Through WorldClass, they use their skills, experience and network to help people succeed in a global economy constantly changing.

Deloitte globally launches programs and initiatives that support the WorldClass ambition. In Norway Deloitte is already contributing through their national cooperation with Leger Uten Grenser, Kirkens Bymisjon in several cities, as well as a number of initiatives to strengthen and scale social entrepreneurs like Moving Mamas, Lønn som fortjent and Kjør for livet.

<https://www2.deloitte.com/no/no/pages/about-deloitte/articles/deloitte-worldclass.html>

### **3.4.6 Alliances**

Through alliances with iconic companies, Deloitte puts clients on the inside track and are bridging the physical-to-digital divide. Through an alliance with Deloitte UK, McLaren is introducing its successful, data-driven business products to a broader global audience. Deloitte, meanwhile, is drawing on McLaren's engineering, sensor, simulation and analytics experience to benefit clients.

By combining McLaren's capabilities with Deloitte's own digital and analytics skills, Deloitte believe they will co-create some revolutionary products. The McLaren alliance is one of several that Deloitte firms have forged among the world's most admired companies, including Amazon Web Services, Facebook, SAS, Hewlett Packard Enterprise, Oracle and SAP. According to Deloitte, these alliances do more than simply add value for Deloitte, its clients and its alliance companions. They can shape entire markets and business models.

Collaborations are important to Deloitte's strategy moving forward because they give them advantages that can be game-changing for their clients. When Deloitte can offer the inventive capabilities of companies like Apple, HP or McLaren on top of Deloitte's, that's a real differentiator for Deloitte as a company.

<https://www2.deloitte.com/content/campaigns/global/global-report/global-report.html>

### **Strategic acquisitions**

In addition to many newly formed alliances, global Deloitte firms acquired 21 companies during FY2017, many of which will enhance the network's analytics, cyber and digital capabilities. Those strategic acquisitions include: Casey Quirk, Cornerstone Group of Companies, Day1 Solutions LLC, Integrity-Paahi Solutions Inc., Market Gravity, Microeconomix, Morse Consulting, Register Larkin, Strut Digital, Web Decisions LLC.

<https://www2.deloitte.com/content/campaigns/global/global-report/global-report.html>

Deloitte Digital buys the success agency Acne. The global advertising agency Acne will strengthen Deloitte's creative powers and help customers through the digital transformation.

<https://www2.deloitte.com/no/no/pages/about-deloitte/articles/deloitte-digital-kjoper-acne.html>

### **Clients**

Some of the most important clients for Deloitte globally: Metlife, Morgan Stanley, Berkshire Hathaway, The Blackstone Group and Federal National Mortgage Association

<https://big4accountingfirms.com/deloitte-audit-clients/> (List of most important clients for Deloitte globally)

## 4 Comparison of the companies

This part provides a comparison of the information on Big Four PSF's presented in part 2 and 3. This part aims to show similarities and differences between the companies. The comparison consists of two main parts; 1) a summary and overview of relevant information regarding service lines offered, revenue, industries, local and global structure, and CSR, and 2) a summary of aspects that show how the different companies create value. These aspects will be more deeply explained in 4.2, and should be logical following part 2 and 3.

### 4.1 Summary and overview

#### 4.1.1 Main service lines offered by the Big Four

|                           | <b>PwC</b>                                | <b>EY</b>                                    | <b>KPMG</b>   | <b>Deloitte</b>  |
|---------------------------|---|--|---|--|
| <b>Main service lines</b> | Assurance<br>Consulting<br>Tax &<br>Legal | Assurance<br>Advisory<br>Tax &<br>Law<br>TAS | Audit & Assurance<br>Tax<br>Law<br>Advisory<br>Accounting & financial<br>services | Audit &<br>Assurance<br>Consulting<br>Legal & Tax<br>Financial<br>advisory |

#### 4.1.2 Revenue from service lines - locally and globally

|   | <b>PwC</b>         | <b>EY</b>          | <b>KPMG</b>    | <b>Deloitte</b>               |
|---|--------------------|--------------------|----------------|-------------------------------|
| <b>Largest revenue share in Norway (FY17)</b> | Assurance<br>(49%) | Assurance<br>(44%) | Audit<br>(56%) | Audit &<br>Assurance<br>(46%) |
| <b>Largest growth area globally (FY15-17)</b> | Advisory           | TAS                | Advisory       | Consulting                    |

#### 4.1.3 Industries the Big Four operate in

|                   | <b>PwC</b>           | <b>EY</b>               | <b>KPMG</b> | <b>Deloitte</b>      |
|-------------------|----------------------|-------------------------|-------------|----------------------|
| <b>Industries</b> | Bank and<br>finance, | Banking and<br>finance, | Automotive, | Consumer,<br>Energy, |

|  |  |   |   |  |
|--|--|---|---|--|
|  | Energy, Health, Industry and commerce, Oil and gas, Public sector, Real estate, Shipping, Telecom and media. | Real estate, Hospitality and Construction, Fishing & seafood, Insurance, Consumer products & retail, Health, Industrial products, Automotive & Transportation, Wealth & Asset management, Power & Utilities, Media & Entertainment, Oil & Gas, Private equity, Government & Public sector, Technology, Telecommunication Transport, Shipping & Offshore | Banking and Capital Markets, Energy, Consumer & Retail, Government & Public Sector, Healthcare, Industrial, Manufacturing, Oil & Gas, Technology, Media & Telecom, Transport & Logistics, Real Estate, Hospitality & Construction, Private Equity, Shipping, Seafood. | Resources & industrials, Financial services, Government & Public Sector, Life Sciences & HealthCare, Technology, Media & Telecommunications. |
|--|--|---|---|--|

#### 4.1.4 An overview of the local and global structure of the Big Four

##### *Local structure*

|                      |  |                       |
|----------------------|--|-----------------------|
|                      | <b>PwC Norway</b>  |                       |
| Structure            | PwC AS   | PwC Law AS            |
| Subsidiaries         | PwC Accounting AS  | PwC Skatterådgiver AS |
| Governance           | General Assembly highest body<br>Partners 100% ownership |                       |
| Norwegian leadership | CEO: Leif Arne Jensen<br>COO (New role): Petter Vold     |                       |



|                      | <b>EY Norway</b>  |                              |
|----------------------|---|------------------------------|
| Structure            | EY AS   |                              |
| Cooperations         | EY Advokatfirma AS (EY AS has actual control)                                       |                              |
| Subsidiaries         | EY Value Added Tax Services AS  | Bjørvika Konferansesenter AS |
| Governance           | General Assembly highest body<br>Partners 99,99 % ownership, EY LLP 0,01% ownership |                              |
| Norwegian leadership | CEO: Erik Mamelund  |                              |

|                      | <b>KPMG Norway</b>                                       |  |
|----------------------|--|--|
| Structure            | KPMG Holding AS  |  |
| Subsidiaries         | KPMG AS<br><i>with subsidiary:</i><br>KPMG Accounting AS | KPMG Law Advokatfirma AS<br><i>with subsidiary:</i><br>KPMG Tax AS |
| Governance           | General Assembly<br>Executive management group           |  |
| Norwegian leadership | CEO: Arne Frogner  |  |

|                      | <b>Deloitte Norway</b>   |   |
|----------------------|--|---|
| Structure            | Deloitte AS  | Deloitte Advokatfirma AS                        |
| Subsidiaries         | Deloitte Service AS  | Deloitte Prosjekt AS and<br>Dronning Eufemia AS |
| Governance           | General Assembly highest body<br>Deloitte AS partners 100% ownership |   |
| Norwegian leadership | CEO: Aase Aa. Lundgaard<br>Management Committee and COO Office       |   |

**Global structure**

|           | <b>PwC Global</b>                                       |
|-----------|---|
| Structure | PwC International Limited (PwCIL)<br><i>consist of:</i> |

|             |   |
|-------------|---|
|             | Member firms that operates as separate legal entities   |
| Network     | Six geographical areas: Americas, Asia, Australasia and Pacific, Central and Eastern Europe, Western Europe, and Middle East and Africa |
| Headquarter | London, UK  |
| Countries   | 157 countries   |

|             |   |
|-------------|---|
|             | <b>EY Global</b>  |
| Structure   | Ernst & Young Global Limited (EYG)<br><i>Consist of:</i><br>Member companies that are part of a region  |
| Network     | EY's 28 Regions are grouped under four geographic Areas: Americas; Europe, Middle East, India and Africa (EMEIA); Asia-Pacific; and Japan. EY Norway is part of the Nordic region and the EMEIA geographical area |
| Headquarter | London, UK  |
| Countries   | 151 countries   |

|             |  |
|-------------|--|
|             | <b>KPMG International</b>  |
| Structure   | KPMG International<br><i>consist of:</i><br>Member firm that are separate and legally distinct |
| Network     | Three regions: the Americas, Asia Pacific, and Europe, the Middle East and Africa (EMA)        |
| Headquarter | Amstelveen, the Netherlands  |
| Countries   | 154 countries  |

|             |  |
|-------------|--|
|             | <b>Deloitte Global</b>   |
| Structure   | Deloitte Touche Tohmatsu Limited (DTTL)<br><i>consist of:</i><br>a network of Deloitte companies from different countries (member firms) |
| Network     | Three regions: Americas, Asia Pacific, and EMEA.<br>Deloitte Norway is part of the new established member firm NWE.                      |
| Headquarter | London, UK   |
| Countries   | 150 countries  |

#### 4.1.5 Corporate Social Responsibility initiatives and activities

| <b>PwC</b>   | <b>EY</b>   | <b>KPMG</b>  | <b>Deloitte</b>  |
|--|---|--|--|
| <ul style="list-style-type: none"> <li>- ECO-Lighthouse (Miljøfyrtårn)</li> <li>- Bærekraft 100</li> </ul> | <ul style="list-style-type: none"> <li>- Education</li> <li>- Entrepreneurship</li> <li>- Environmental sustainability</li> </ul> | <ul style="list-style-type: none"> <li>- Quality education</li> <li>- Gender equality</li> <li>- Reduced inequalities</li> <li>- Life below water</li> <li>- Other: pro bono work, ECO-Lighthouse</li> </ul> | <ul style="list-style-type: none"> <li>- Social entrepreneurship</li> <li>- WorldClass</li> <li>- Pro bono projects</li> <li>- Seminars and lectures at higher education institutions</li> <li>- Community debate: The Waterfront Ideas</li> <li>- Voluntary work: Impact day</li> </ul> |

#### 4.2 Value creation in the companies

We have categorized the value creation of the Big Four PSF in three categories: Working staff, way of working, and adaptation to a changing environment. In the following, we will describe what the company has, or has not, done in each category to create value.

The working staff, the employees at the firms, is a very important part of the companies value creation. It is therefore important that the companies manage to attract the best talent from universities, and also educate them to improve their knowledge and skills to fit the ever changing environment and client needs.

Way of working emphasize initiatives made by the companies to increase their value creation, and different methodologies used to make stable and independent solutions. As the PSF's provide very much the same services to the same industries, they often have to differentiate themselves in aspects regarding how they work.

Adaptation to the changing environment is all about how the firms use technology and alliances to exploit and strengthen existing products, processes and solutions, but also explore new opportunities, within their existing business and new aspects that can give them a competitive advantage.

#### **4.2.1 Value creation PwC**

##### **Working staff**

*Attractiveness:* Being top two of most attractive workplace for business students in Norway, PwC is able to create value for their clients by attracting and capturing high skilled and talented employees.

*Development programs:* PwC has several development programs for employees, managers, partners and directors. In this way they make sure the organization as a whole are up to date at their specific level of employment.

##### **Way of working**

*Initiatives:* PwC has recently formed new company values: *work together, care, make a difference, reimagine the possible og act with integrity*. PwC employees all over the world contributed to the new values, and feel more connected to PwC's values.

“Vil litt mer” is a market strategy PwC has launched to help their customers in an even better way. “Vil litt mer” is targeting organizations that strive to do even better and create stronger customer experiences, much related to PwC's technology focus.

*Methodology:* PwC Audit is the methodology used by PwC in their audit assignments. It is based on the ISA, and include guidelines for special requirements like audit of annual reports, compliance with the Accounting Act and tax issues

##### **Adaptation to a changing environment**

*Technologies:* PwC won the audit innovation of the year in 2017, and they use several technologies and programs to increase their performance when auditing clients. Through their area of expertise “Business Technology”, PwC use technology and business and industry knowledge to help clients perform better, adapt to trends and technology and create better customer experiences.

*Alliances:* PwC have no national partnerships regarding auditing, and have not published a list of global alliances.

#### **4.2.2 Value creation EY**

##### **Working staff**

*Attractiveness:* Coming out fourth in Norway and first among the nordic countries on the list of most attractive employer, EY is in a good position to get hold of talented people from prestige universities.

*Development programs:* EY's development program, EYU, makes sure the organization is up to speed with theoretical knowledge and changes in the industries they work in. Furthermore, EY Global has launched *Let's Talk Digital*, a program that will educate the next wave of digital leaders.

##### **Way of working**

*Initiatives:* EY has committed to create a "better working world", and has used that motivation and ambition in several initiatives. In their "Better working world" global page, they focus on purpose, digital, growth, trust and workforce.

*Methodology:* EY Global Audit Methodology (GAM). Use technology in audit to fit every clients' different needs. EY further use technological tools to ease and improve their internal processes and how they work with and towards their clients. Resulting in better and more efficient solutions.

##### **Adaptation to changing environment**

*Technologies:* EY Canvas and EY Helix are technological tool EY use to perform better when auditing clients. Canvas is the auditing platform, and Helix is their data analysis tool.

*Alliances:* EY's strong cooperation with Microsoft create value because they together manage to use technological expertise in combination with business knowledge to create new solutions. The cooperation with a global leading tech firm gives EY insight and access to a known brand and new technology, which drive better business outcomes.

*Organizational structure:* EY launched a new technology department in Norway May 2017. EY believes this is an area with huge potential for growth. This act makes EY more competitive against companies like Accenture, Sopra Steria and others like them. EY differentiate

themselves by their width in expertise, where they can include lawyers, tax experts, different type of consultants and IT security.

### **4.2.3 Value creation KPMG**

#### **Working staff**

*Attractiveness:* In contrast to the other three, KPMG does not reach the top list of most attractive employers among Norwegian students. In the same list among the Nordic countries, they ended up as number 10 in 2017. KPMG try to equalize this disadvantage by being visible at carrier days, have campus visits and arrange case competitions.

*Development programs:* Once employed at KPMG, everyone has to attend KPMG's development program. This ensures all employees' expertise and knowledge is up to date. In addition, KPMG has the KPMG Master of Accounting with Data and Analytics Program, which educate students and KPMG professionals to meet the requirements from accounting in a digital age.

#### **Way of working**

*Initiatives:* KPMG's Global Mobility program benefits their clients, while providing exciting opportunities for KPMG professionals to gain valuable experience working in different member firms across the 154 countries and territories in the KPMG network. It is an important way to bring the very best of KPMG to wherever it is needed most.

*Methodology:* When auditing, KPMG use a global platform named eAudIT. The platform is used to make sure KPMG's audit methodology (KAM) is followed. Further, KPMG use Data and analytics (D&A) to get a deeper understanding of their clients' business and risks. The use of D&A help KPMG to perform better and more efficient audits.

#### **Adaptation to changing environment**

*Technologies:* eAudIT, KPMG's global audit platform, is used to perform all their audit engagements. eAudIT is designed to help the user to consistently make the right choices in accordance with the requirements of KPMG's audit methodology (KAM).

*Alliances:* Through KPMG's alliances with Microsoft and Google, they have created tools like KPMG Clara, taken technology like AI and machine learning to use, and implementation of

cloud services for their clients. Common for the result of their alliances is the increased value from the solutions created.

*Organizational structure:* To meet the present and future demands from clients, and to gain the needed knowledge, KPMG is building a “Digital department” in their Advisory services.

#### **4.2.4 Value creation Deloitte**

##### **Working staff**

*Attractiveness:* Deloitte was on the top three list for most attractive employer for graduate students in Norway. This indicates that Deloitte are in a good position of getting talented graduates. They try to increase their attractiveness by being as available as possible for students through internships, campus visits and part-time work opportunities.

*Development programs:* To maintain and develop knowledge and industry insight, Deloitte have an internal education program for all employees. Deloitte’s demands to their employees skills are higher than what's required from the auditors regulation. Deloitte use their development programs to make sure all employees are up to date with trends and required skills.

##### **Way of working**

*Initiatives:* Deloitte has through the GovLab initiative established a public sector minded service that take deeply look in to innovation and transformation for the public sector. Deloitte has committed to solving the challenges from digitalization in this sector.

Deloitte’s Business Process Solutions (BPS) and Tax practices have formed five strategic agreements with robotic process automation (RPA) vendors and created an RPA center of excellence.

*Methodology:* Deloitte has, in accordance with the requirements of the Norwegian Public Accountants Act (revisorloven), established a quality system that meets the requirements of the quality control standard (ISQC 1). The factors in the quality system that are subject to quality assurance and control are compliance, quality and independence.

**Adaptation to changing environment**

*Technologies:* Deloitte invest and implement several technological solutions in their service lines. ValueD and iDeal are analytics platforms that allow Deloitte's Mergers and Acquisitions practitioners in many countries to quickly understand their clients' complex situations. Deloitte's Business Process Solutions (BPS) and Tax practices have formed five strategic agreements with robotic process automation (RPA) vendors and created an RPA center of excellence

*Alliances:* Further, by partnering up with large companies like Apple, Deloitte re-create products and make better services. The partnerships are important for Deloitte when moving forward, because the results often are game-changing for their clients. In addition to forming alliances, Deloitte make strategic acquisitions to get insight in technology or gain expertise they don't possess.

*Organizational structure:* To manage the increasing pace of change in several industries, Deloitte (Nordic, and Norway) established Deloitte Digital. This establishment will create and explore the future products and services of Deloitte. This fits with how Deloitte work Globally, investing in new technology in several service areas. In addition, the NWE initiative is a way of making use of global resources and make sure Deloitte has access to the right resources to offer their clients.



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## 6 Appendix

### 6.1 PwC

#### Services

##### *Assurance*

In audit and assurance, PwC help customers in six different areas:

1. *Auditing of financial statements*: PwC delivers customized solutions for the auditing of financial statements. They use their expertise and interdisciplinary collaboration within PwC to optimize the auditing process and provide efficiency and value to their clients.
2. *Audit for other areas than financial statement*: PwC offer an audit of areas other than the financial statements when there is a need for auditor statements and, industry, regulatory or contractual requirements must be met.
3. *Simplified auditor review of interim financial statements*: Simplified auditor review (limited audit) of interim financial statements is offered as a simplified and less expensive product than an audit and aims to provide increased confidence in interim financial statements. PwC emphasizes that a simplified audit of interim financial statements may also identify issues of importance to the annual financial statements at an early stage.
4. *Agreed-upon reviews*: PwC's expertise and experienced consultants may perform detailed reviews of specific ledger entries which a company would like reviewed. The findings will be reported back to the client
5. *IFRS - conversions to and adapting to changes in regulations*: Transition to IFRS is often very demanding as it may affect several of a company's procedures and systems, while concurrently increasing a company's competence needs. PwC has extensive experience in assisting clients with conversion, and has developed a methodical approach for a smooth transition
6. *Assistance with direct and indirect taxes, accounting and financial management*: PwC's auditor will be an experienced partner with in-depth knowledge of both the client and the company.

## ***Consulting***

Through their consultancy service, PwC help their clients in six different areas:

1. *Business technology*: PwC work closely together with their clients to help them realize their digital potential. PwC is vendor independent, meaning they offer technical expertise across strategy, business architecture and solution design, organization, process and project management, without favoring solution or predetermined choice of technology. Within business technology, PwC work in areas as Digital business model and target image, Digital interaction and automation of processes, Effective and business oriented IT function, Sourcing, procurement, and implementation, and Project, program and portfolio management.
2. *Financial effectiveness*: PwC help their clients to improve and develop their financial function, in order to strengthen their ability to create value for the organization. Among the areas within financial effectiveness, PwC help their clients with comprehensive assessment of the finance function, establishment of the finance function, clarification of the company's value drivers through cost analyses and customer profitability analyses, and increase the efficiency of economic and financial processes.
3. *People and organization*: PwC help their clients to solve their most critical business issues through organizational transformation, improving the performance of their workforce, developing and moving talent around the world, and managing their human capital risks. PwC create unique solutions to their client's problems by bringing together their capability areas, which are grounded in rigorous analysis and data-driven insight. This create lasting, differentiated value.
4. *Performance and Information Management*: PwC help clients achieve strategic objectives, manage financial capacity, monitor daily operations and secure access to critical information in the value chain. PwC has a leading team in this area and extensive expertise in assisting businesses with; governance models and scorecards, processes and systems for financial reporting and budgeting, and assessing business use and value of BI-solutions.
5. *Policy and economics*: PwC has extensive experience from organizational development and cross-border assistance between governance, organizational, economic and judicial means - and PwC believe this as an important success factor that these are well integrated. Within Business development PwC help their clients with adjustments in public sector, management of national sector, digitalisation of public sector, public



procurement and supplier development, and counselling, project management and support.

6. *Strategy and operations*: PwC assist their clients in a wide range of services within strategic and operational issues, to identify and realise a possible improvement potential. PwC's focus is on feasible solutions, analytical insight and in-depth industry expertise to achieve good results. PwC have categorized three areas within strategy and operations; Digital & Industry 4.0, Operations and Strategy. D&I 4.0 is about innovation through the exploitation of new technological possibilities for increased customer orientation and value creation. Operations work closely with the client on all levels of the organisation. PwC deliver a wide range of services such as management of strategic restructuring projects, cost saving programs, Lean, sales and operational planning, and network design and optimisation. Strategy is about building a successful organization by playing on its unique characteristics and opportunities in the market.

### ***Deals***

PwC Deals helps investors understand fundamental financial assumptions associated with transactions, acquisitions, mergers, de-mergers, sales, private placements and IPOs. PwC provide a wide range of services and can assist in all aspects of transactions. They are the market leader within due diligence and valuation and have the market's largest capacity within these areas, both nationally and internationally.

PwC Deals help clients with commercial due diligence, financial due diligence, independent business reviews, purchase and sale of businesses, valuation and financial modelling, and vendor due diligence.

### ***Capital Market Services***

No matter what kind of transaction a company is planning, PwC want to help optimize the process and achieve the highest possible efficiency and value for the company.

PwC provides services before, during and after capital market transactions which contributes to higher pricing, reduced implementation risk and ensuring long-term and reliable access to capital markets. PwC assists with valuable quality assurance of processes and information that will reduces risks for issuers, arrangers, the marketplace and the investor.

PwC's network of specialists has expertise and knowledge of the rules and process of capital market transactions in Norway and internationally. PwC help their clients through the entire process, including preparation, implementation and maintenance as a listed company. By helping to establish and ensure the quality of long-term and sustainable solutions for the transaction process and for maintenance after the listing, PwC delivers value-added services for both company and shareholders.

### ***Forensic services***

PwC Forensic Services do various factual investigations in connection with unwanted incidents. They have a fixed methodology where the source of information for example are documents, accounting material, interviews and electronically stored information of evidential value. To to this, PwC have their own technology laboratory with different types of IT tool for securing analysis of electronic traces and large amounts of information. The technology lab is also used to investigate Cyber Crime.

Further, PwC Forensic provide services to prevent financial fraud. This includes doing Integrity Due Diligence and compliance work especially related to anti-corruption, anti-money laundering, contribution management, data protection and contract compliance.

Within the area for security and emergency preparedness, PwC have extensive experience in identifying vulnerable areas, developing preventive measures, and establishing a comprehensive preparedness thinking to handle unforeseen incidents through regular risk analysis and development /updating of plans, etc.

Generally, PwC benefit from various technical expertise in the projects. They believe this provides the best delivery for the customer. The PwC employees working on these areas are lawyers, economists, accountants, political scientist, IT-technicians and police.

### ***Risk advisory services***

Within Risk Management, PwC help their clients in seven different areas:

1. *Corporate Governance*: Within corporate governance, PwC help companies establish and implement good corporate governance. This includes clarification of roles and responsibilities between the company owners, board of directors, management and other

stakeholders. Corporate governance also includes providing organisational structure, principles and policies that govern the company's decisions and performance.

2. *Diversity leadership*: The focus on gender equality in the past fifty years has shown that creating a diverse and inclusive culture requires continual focus and support from all levels. PwC think indirect discrimination and unfair treatment arises from unconscious biases and attitudes embedded in an organisation's culture and decision making processes. PwC are committed to help their clients solve this problem and based on their efforts so far they have found these strategies disrupt institutional inertia around stereotypes and biases.
3. *Financial management*: PwC's services in Financial Management help businesses build an appropriate management system, effective and efficient financial and accounting processes, excellent financial analyses and reliable reporting. PwC focus on practical solutions, operational insight and in-depth industry expertise. They help clients all the way from development through establishment to implementation. PwC's experience show that those who establish good internal controls and reliable reporting prior to an exit or IPO achieve a higher price.
4. *Internal audit*: PwC have extensive internal audit experience and can contribute with everything from specialist support in complex individual audits to full outsourcing of internal audit. PwC help with establishment or implementation of internal audit, independent assessment of existing internal audit, and support for methodology improvements.
5. *Internal controls*: PwC's experts help clients with both evaluating internal controls, and the creation or improvement of the framework of internal controls appropriate to the clients business. PwC has extensive experience with internal control projects and our employees have solid auditing and consultancy experience.
6. *IT risk and controls*: Within their specialist group for IT risk and controls PwC has experienced consultants with core competencies related to information technology, IT audit, IT security, internal controls and legal requirements for systems and solutions. Through PwC's services they help large Norwegian companies ensure that technological changes do not compromise daily operations, critical quality goals or compliance with relevant laws and regulations.
7. *Sustainability and corporate social responsibility*: PwC help clients ensure sustainable business through feasibility and risk analyses, sustainable business management, and sustainable reporting. By doing this, PwC help their clients meet the demands and

expectations of their stakeholders and create long term profitability and shareholder value.

### ***Tax and Legal (PwC Advokatfirma)***

1. *Legal*: PwC offer a wide spectre of services within the legal area. With a string legal team working integrated with tax and vat experts, PwC can do more to help their customers in a broad and practical perspective.
2. *Tax*: PwC provide their clients with full scale tax consultancy. They have special expertise both within complex tax questions, and on establishing strategies for handling tax in the Norwegian and international market.
3. *People and organisation*: (\*\*see Consulting pt.3\*\*)
4. PwC provide assistance to their clients with practical and optimal solutions individualized to their needs within the area of VAT, customs and excise duties. PwC's focus is to create and maintain a good cooperation with the tax authorities and other relevant parties, and most of their employees have previous experience from either the tax authorities or Norwegian Customs.

### **Industries**

#### ***Bank & finance***

Everything from rapid technological and regulatory changes to increasingly demanding customer requirements, means that organizations that provide financial services face a complicated puzzle of challenges and opportunities.

PwC help clients with asset management, bank and other financial institutions, insurance, and investment firms.

#### ***Energy***

The energy sector has undergone major changes in recent years, and there is little to suggest that there will be fewer changes in the future.

PwC provide services to the energy industry, petroleum enterprises, water supply and wastewater treatment, and the power sector.

### ***Health***

PwC is a leading consultancy firm within the health sector. They assist governmental, non-profit, private and municipal actors. PwC work within primary and secondary care, locally, regionally and nationally. Together with their customers, they find solutions to challenges and create new opportunities. PwC's expertise is utilised throughout the country, and is also sought after abroad. Their customer relationships are long-term and characterized by mutual trust. PwC's industry team consists of dedicated industry specialists with multidisciplinary backgrounds, including medical specialists, health professionals, health IT, legal, organizational and financial competence.

### ***Industry & commerce***

Industry and Commerce consists of a significant portfolio of product and service producing industries characterized by long-term trends of globalization, consolidation, convergence and demanding customers.

PwC help clients within building and construction, retail and wholesale, and the processing industry.

### ***Oil & gas***

Exploration activity on the Norwegian continental shelf has been high in recent years and there have been several significant discoveries of oil and gas. Meanwhile, several new companies have made their debut on the Norwegian continental shelf.

PwC help clients with financial audit, strategic and financial consulting, tax and legal services and transaction support for buyer and seller.

### ***Public sector***

When different enterprises in the public sector today address their social missions, the principle of equal treatment and the rule of law are two mainstays. In addition, the public service must ensure users' orientation, participation and rights; in tasks associated with the roles of a service agency, facilitator, and possibly as an inspector. While there is some disagreement in Norway about which methods should be used, there is great political consensus on the need for restructuring and revitalization of the public sector in Norway to support the Scandinavian model. PwC help the governance sector and municipalities and counties.

### ***Real estate***

The real estate industry is facing many challenges. With PwC's experienced specialists we can help to turn challenges into business opportunities. We offer experienced auditors, consultants and lawyers in a global network of specialists.

### ***Shipping***

The shipping team at PwC works across disciplines and consists of experienced accountants, attorneys, financial advisors and consultants with extensive knowledge in shipping and offshore activities. PwC's network provides efficient and effective solutions to global shipping companies locally in all shipping countries. Thus providing comprehensive solutions for their clients who can deal with one service provider across their corporate structure.

### ***Telecom & media***

PwC has good knowledge of the branches and can assist companies in meeting these challenges and exploiting the opportunities. We have structured our expertise in various industry groups to provide specialized audit and consulting. An example of this is our annual publication of "Global Entertainment and Media Outlook" which provides an update and a five-year qualified forecast of future developments in this industry.

PwC help clients in media and entertainment, technology, and telecommunication.

### **Enterprises of public interest audited by PwC Norway**

|  |   |                         |
|--|---|-------------------------|
| Aega ASA                                   | Assuranceforeningen Gard                      | Austevoll Seafood ASA   |
| Avance Gas Holding Ltd                     | Bank Norwegian AS                             | Beerenberg Holdco II AS |
| Brage Finans AS                            | Bud og Hustad Forsikring Gjensidig Byggma ASA |                         |
| Den Norske Krigsforsikring                 | Gjensidig forening                            | Digiplex Fet AS         |
| DIGIPILEX NORWAY AS                        | DOF ASA                                       | DOF SUBSEA AS           |
| Ekornes ASA                                | Eksportfinans ASA                             | Flekkefjord Sparebank   |
| Folkefinans AS                             | Fornebu Sparebank                             | Fredrikstad Energi AS   |
| Frende Livsforsikring AS                   | Frende Skadeforsikring AS                     | Frontline Ltd.          |
| Gard Marine & Energy Insurance (Europe) As |   | GC Rieber Shipping ASA  |
| GIEK Kredittforsikring AS                  | Glitre Energi AS                              | Grieg Seafood ASA       |
| Golden Ocean Group Limited Goodtech ASA    |   | Hafslund ASA            |
| Havtrygd Gjensidig Forsikring              |   | Hegra Sparebank         |
| Helgeland Boligkreditt AS                  | Helgeland Sparebank                           | Help Forsikring AS      |
| INSR Insurance Group ASA                   | Indre Sogn Sparebank                          | I.M. Skaugen SE         |

## Working Paper No. 08/18

Interoil Exploration and Production ASA  
Jernbanepersonalets Forsikring Gjensidig  
Kitron ASA  
KLP Boligkreditt AS  
Kommunal Landspensjonskasse Gjensidig Forsikringsselskap  
Landbruksforsikring AS  
Landkreditt Finans AS  
Lillestrøm Sparebank  
Lock AS  
Monobank ASA  
NBBL Fulltegningsforsikring AS  
Nordea Eiendomskreditt AS  
Norsk Legemiddelforsikring AS  
Norway Royal Salmon ASA  
Norwegian Hull Club - Gjensidig Assuranseforening  
OBOS Boligkreditt  
Odal Sparebank  
Oslo Forsikring AS  
Protector Forsikring ASA Reach Subsea ASA  
Santander Consumer Bank AS  
Sevan Drilling Limited  
Skadeforsikringsselskapet Borettslagenes Sikringsordning AS  
Skogbrand Forsikringsselskap Gjensidig Skue Sparebank  
Sparebank 1 Nordvest  
Sparebank 1 Østfold Akershus  
Sparebanken Sør Boligkreditt AS  
SR-Boligkreditt AS  
Trøgstad Sparebank Trønderenergi AS  
Wallenius Wilhelmsen Logistics ASA

KLP Banken AS  
KLP Kommunekreditt AS  
Landkreditt Bank AS  
Lerøy Seafood Group ASA  
Livsforsikringsselskapet Nordea  
Luster Sparebank  
Møretrygd Gjensidig Forsikring  
Norges Pelsdyrslag Gjensidige  
OBOS Forsikring AS  
Odfjell Drilling Ltd  
Oslo Pensjonsforsikring AS  
Siem Industries Inc.  
Sparebank 1 SR-Bank ASA  
Søgne og Greipstad Sparebank  
Wilh. Wilhelmsen Holding ASA

Jernbanepersonalets Sparebank  
Kid ASA  
KLP Bedriftspensjon AS  
KLP Skadeforsikring AS  
Komplett Bank ASA  
Landkreditt Boligkreditt  
Lillesands Sparebank  
Liv Norge AS  
Melhus Sparebank  
MyBank ASA  
Njord Gas Infrastructure  
Pelsdyrtrygd  
North Energy ASA  
Norwegian Finans Holding ASA  
Norwegian Property ASA  
OBOS-Banken AS  
Orkdal Sparebank  
Pareto Bank ASA  
Siem Offshore Inc.  
Selvaag Bolig ASA  
Solvang ASA  
XXL ASA  
Treasure ASA  
Sparebanken Sør  
Sparebank 1 Østlandet  
Spareskillingsbanken  
The North Alliance AS  
VV Holding AS

## 6.2 EY

### Services

#### *Assurance*

1. *Accounting Compliance and reporting*: Accounting Compliance and Reporting services is focused on helping large, multinational companies meet their financial reporting requirements in the many countries where they do business. Companies across industries are engaged in finance transformation initiatives, marked by expansion into emerging markets, the deployment of Shared Services Centers and the continuous drive for efficiency and lower costs. Managed centrally, EY's services link their competencies in finance and tax to support the full spectrum of compliance needs. EY's suite of services include: Statutory reporting services (delivering statutory financial statements), A range of accounting support to assist the internal finance functions, including: Group-to-local GAAP conversion, Post-general ledger "record" accounting, such as assistance with period close, trial balance compilation, reconciliations, and data gathering and analysis, Group-to-local GAAP-to-tax conversion in coordination with, EY tax professionals.
2. *Climate Change and Sustainability services*: To better help their clients, EY's Climate Change and Sustainability Services are embedded across all their services, geographies and industries. EY's integrated and multidisciplinary team, drawn from their deep bench of subject matter professionals, will help clients identify the right people to bring to the table and develop customized recommendations that are innovative and effective.
3. *Financial accounting advisory services (FAAS)*: FAAS comprises a multidisciplinary team of accounting, tax, and IT professionals with deep, sector-specific experience in managing the implementation of accounting changes, ranging from a single accounting standard to the full project planning and global implementation of IFRS. EY help CFOs, audit committees, treasurers, and other top financial executives understand the pending changes and assess the impact on their companies. EY's Financial Accounting Advisory Services practice provides assistance on critical issues arising from changes in accounting standards and regulatory requirements, new business activities and business acquisitions. EY help clients achieve best-in-class accounting and reporting, improve their accounts through IT and process enhancement, meet regulatory governance and financing-related needs, and address other audit, attest, and accounting impacts.



4. *Financial statement audit*: EY adapt their audit services to fit the clients unique needs. EY provide a consistent audit by assembling the right multi-disciplinary team to address the most complex issues, using a proven global methodology and deploying the latest, high quality auditing tools and perspectives. And because EY understand that, to achieve the clients potential, you need a tailored service as much as a consistent methodology, EY work to give the client the benefit of their deep sector knowledge, their full subject matter knowledge and the latest insights from their work worldwide.
5. *Fraud Investigation & Dispute Services (FIDS)*: The Fraud Investigation & Dispute Services help clients deal with complex issues related to fraud, compliance with regulatory requirements and business disputes. FIDS help clients within the following areas:
  - a. Review of financial fraud, unwanted incidents and violation of regulations
  - b. Prevention of financial fraud
  - c. Corporate compliance (regulatory compliance)
  - d. Disputes Assistance
  - e. Securing and analyzing electronic information
  - f. Course and dilemma training
  - g. Warning services - "whistleblowing"

### ***Tax and law***

EY also team with other EY colleagues to deliver integrated services in areas ranging from supply chain optimization and process improvement to financial accounting and reporting. EY offer leadership in all tax disciplines, including business tax, indirect tax, international tax, transactional tax, and tax-related issues associated with human capital. They place particular emphasis on the most pressing issues facing companies worldwide today:

1. *Global compliance and reporting*: EY's teams work together in EY's global model to complete timely and accurate tax and financial filings so companies have an increased level of confidence that they are meeting legal obligations. EY's people can also identify ways to help increase value, efficiency and control in these core functions.
2. *Transfer pricing*: Setting tax-efficient intra company pricing that complies with the law is essential in today's global economy. EY's team has extensive experience in helping their clients find the right answers across industries, products and borders.

3. *Human capital, including expatriate services:* At EY, nothing is more important than their people. EY apply this philosophy to their clients' people as well. Their performance and reward professionals help design compensation programs and equity incentives to engage key people and attract top-flight talent. EY offer assistance in helping clients meet local regulatory change and manage global talent effectively.
4. *Supply chain and process improvement:* EY identify and configure competitive supply chains to drive efficiencies, not only for existing markets but also for target markets.
5. *Indirect taxes:* EY can help guide clients through the growing global labyrinth of value-added and other indirect taxes.
6. *Tax policy and controversy:* EY's worldwide network of tax policy and controversy professionals includes former top government officials. They're committed to helping clients proactively manage risks to avoid unnecessary conflict with tax authorities.

EY can also help resolve existing disputes in ways that reduce the impact on their clients' business. EY professionals can provide fiscal and economic insights and impact assessments on key issues.

### ***Advisory***

EY Advisory help clients with issues in analytics, risk, cybersecurity, digital, innovation, and transformation. There are 13 areas EY advisory help clients:

1. *Actuarial:* Major regulatory changes, the rise of emerging markets, ongoing economic uncertainty, technology-driven turbulence and increasing consumer expectations are key challenges to future profitability. By combining the experience of EY's dedicated actuarial and risk professionals and close partnerships with related practices across EY, they provide integrated services across all disciplines in the insurance industry.
2. *Customer:* Technology is transforming customer experiences and expectations. In this fast-paced digital world, businesses need to revolutionize their customer strategy. EY's diverse teams, combined with their global connectivity and understanding of their clients industry issues, inspire EY to ask better questions. We then work with the client to come up with innovative answers that create experiences with the transparency, authenticity and integrity that really set them apart from their competition.
3. *Cybersecurity:* EY help clients create a robust and agile cyber security setup. EY's experienced advisors can help clients build an active defense system along with clear response procedures aimed at minimizing breach impacts and protecting clients

business. EY operate as one unified Nordic team, and through their local presence, they make insights and specialists from around the world available to their clients organization. EY Cybersecurity help clients in the following areas: Cyber transformation, cyber threat management, data protection and privacy, cyber threat intelligence and business resil

4. *Finance*: Finance is a very different world from what it was just a few years ago. Today finance functions have to look at how the whole of the organization – and beyond – impacts the bottom line. EY have shaped a global ecosystem of CFOs, controllers and other accounting and finance executives to help clients enhance the value that they are adding to their enterprise. EY’s global connectivity means they can combine deep operational consulting capability with industry-specific leading practices. EY have alliances with sector-leading businesses such as SAP, so their clients get the benefits of their insight. This ongoing collaboration means, together, they can support better outcomes and long-lasting results.
5. *Financial service risk management*: EY assists financial institutions with driving efficiency, effectiveness and balanced risk coverage across the organization's governance, risk and compliance activities and supports the full risk agenda and associated buyers. EY assist with risk management and regulatory transformation needs in local and global regulatory environments.
6. *Internal audit*: As the leading provider of internal audit services, EY work closely with their clients of all sizes and across all sectors and bring their knowledge and experience to every engagement. EY help clients achieve cost efficiencies in their internal audit functions through the variable cost model we offer, combined with EY’s off-shore capabilities.
7. *People Advisory services*: EY’s offerings cover six different HR-relevant categories providing flexibility for their clients defining and executing a people agenda on an integrated or a stand-alone basis. EY provide end-to-end services that are differentiated for sector, geographical and cultural requirements.
8. *Program management*: Program management is about reaping the benefits of change. EY help clients turn big, complex programs into big, sustainable value. EY help clients manage multifaceted portfolio programs, keeping multiple smaller projects on track as part of a much bigger program. EY can also help clients work smarter, using tools and technology to capture and distribute accurate information.

9. *Risk assurance*: Risk Assurance covers all risk services where EY is providing independent assurance and the preparation towards assurance to their clients where the assurance can be used by their clients to build confidence and trust with their customers, the general market/public, key stakeholders or when regulatory (by law or oversight) or contractually required
10. *Risk transformation*: Transforming the way clients manage risk requires business to challenge the way they think about, identify, manage, and, respond to it. EY want their clients to look beyond manageable risks (financial, operational, regulatory), better align their risk and business objectives, improve coordination and alignment of risk activities across the organization, and more effectively leverage technology so that they can better respond to their different risks. Together, EY and their clients can deliver better outcomes and long-lasting results, from strategy to execution.
11. *Strategy*: EY work with the C-suite of large and complex organizations around four main strategic platforms: Growth & Innovation, Purpose-Led Transformation, Digital Enterprise Strategy, Rapid Profit Transformation.
12. *Supply chain and operations*: EY gain an understanding of clients business's purpose and overarching commercial strategy to help them reinvent their supply chains and operations. Our approach works across four dimensions: Overall strategic architecture, Integrated operational excellence, Supply chain risk and resilience, Operational talent and capability enablement.
13. *Technology*: EY help clients see the big business picture, with technology as a key part and driver of it. This ongoing collaboration enables clients to design better outcomes and deliver long-lasting results. EY deliver solutions along the defined road map to improve business performance, manage risk and optimize clients current technology portfolio, enabling the cost savings that makes investment in new technology sustainable.

### ***Transaction Advisory Services (TAS)***

EY help clients in six different areas within Transaction Advisory Service:

1. *Lead Advisory*: EY help clients analyze their company's strategic position through assessing potential synergies, drafting a plan for implementation, assisting in negotiation, drafting and quality assurance of financial models, and by measuring

implications associated with a transaction. EY assist clients in achieving their strategic goals across: M&A, Separation and sale, Management buy-outs, Share purchase, raise capital, IPOs, acquisitions, mergers and Strategic Review.

2. *Restructuring*: Each restructuring scenario requires different skills. EY offer a wide range of restructuring services that can be tailored to the company's situation and EY help clients evaluate the opportunities available. EY assist clients in preparing an effective restructuring plan, assisting in transactions, and helping you achieve your strategic goals.
3. *Operational Transaction Services*: EY's Operational Transactions Services department assists with advisory services related to operational conditions in transactions. Regardless of whether EY represent a buyer or seller they will identify and address operational risk and upside increasing realized value from the transaction. EY typically assist their customers with services throughout the transaction process: Operational and commercial due diligence, Operational improvement programs, Synergy Verification and Realization and Support for planning and implementation of integration and separation processes
4. *Transaction Diligence*: EY's focus is to help clients minimize risk to make the most of their transaction process. Whether the client's company is profitable and they seek growth or if they are in a stressed situation and need help to improve their cash flow and reduce risk, EY's transaction services help them with their specific challenges.
5. *Transaction Tax*: EY's worldwide network of advisors combine cross-border experience with local tax knowledge, helping clients make informed decisions and navigate the tax implications of their transaction. EY mobilize wherever needed, assembling a personalized, integrated team to work with the clients throughout the transaction life cycle – from initial due diligence through post-deal implementation.
6. *Valuation and business modelling*: EY's experienced employees fully account for accounting, tax and financial due diligence and can thus deliver valuations for many purposes. EY's modeling staff can assist in developing model reviews, model support and model building that one needs to make key decisions or to improve the decision base for potential strategic choices

## **Industries**

### ***Banking and finance***

Through close collaboration with EY's global financial services network, EY are always up to date with best practices and new industry trends. EY's research and insight gives them a broad and robust perspective and help their clients keep up to date on important current and future issues affecting the banking and capital markets.

### ***Real estate, Hospitality and Construction***

EY provides services in the areas of auditing, consulting, tax, fee and business law and transactions to a number of major players in the real estate, construction, hotel and restaurant industries. The industry group has long experience from working with the industry's most important players.

### ***Fishing & Seafood***

The fishing and seafood industry group covers the entire value chain from the sea to the consumer's table, including the process industry as well as sales and distribution. EY have knowledge of the conditions locally along the coast, while they are EY's global competence center for aquaculture. The businesses can be divided into four areas: Fish farming, Processing, Exporting, Fishing

### ***Insurance***

Major regulatory changes, technology-driven turbulence and changing consumer expectations bring significant challenges to insurance companies in Norway, the Nordic region and globally. EY help their customers prepare for regulatory changes, address the new needs of the customer, and achieve sustainable growth by putting together the best teams to tailor solutions to their challenges.

### ***Consumer products & Retail***

EY's Nordic experts help clients challenge and break solid-minded thinking patterns. Whether they want to make the company smoother, get better returns on their investments in digital marketing, use staff resources effectively across markets or change the value chain to increase flexibility, EY have the skills they need to succeed.

### ***Industrial products***

EY help clients strengthen their business model, so they are ready to grasp new growth opportunities as they arise. Awards and independent research confirm EY's leading position within e.g. finance advisory, strategy, organization and process management, tax and transaction advisory.

### ***Automotive & Transportation***

Across the world, people's ability to move safely and efficiently from point A to point B impacts their degree of opportunity for a better, more productive life. The automotive and transportation sector enables people everywhere to access family and friends, employment, education, health care and entertainment. EY's Automotive & Transportation Sector delivers purpose-led, transformative solutions to help their clients improve the movement of people and goods around the world.

### ***Wealth & Asset management***

The wealth and asset management industry has emerged from the financial crisis to a meeting with the changing conditions and customer base rapidly changing. Businesses have been forced to reconsider their business models to enable growth while focusing on cost control and efficient operation. Wealth and asset management firms are eager to deal with regulatory changes, risk and volatility and positions itself quickly in order to compete for market share. In order to succeed, they must fully understand how the distribution game has changed, both globally and locally, and how to maximize revenue and improve margins.

### ***Power & Utilities***

Energy companies worldwide face the triple challenge of taking better care of the environment, keeping consumers down and maintaining the reliability of the systems. EY global Power & Utilities Center help clients handle the changes that come and the challenges it will cause. EY have more than 4,400 advisers worldwide with extensive experience in power, renewable energy and SMART, which can help you set strategies for future growth.

### ***Media & Entertainment***

EY's Global Media & Entertainment Center brings together a worldwide team of professionals to help clients achieve their potential. EY's team has deep technical experience in providing assurance, tax, transaction and advisory services. EY work to anticipate market trends, identify

the implications and develop points of view on relevant industry issues. Ultimately, they assist clients in meeting their goals and competing more effectively.

### ***Oil & Gas***

With rising global energy demand and high activity on the Norwegian Continental Shelf, the oil and gas industry has a wide range of challenges and opportunities across the upstream, midstream, downstream and oilfield services sectors. EY help oil and gas companies, and oilfield service companies, to navigate through the changing regulatory environment, manage risks and optimize performance.

### ***Private equity***

EY have a comprehensive global network with expertise in Private Equity, a competitive advantage when they work with PE companies seeking to expand into new markets. EY focus on market, industry and legislation. They help clients meet ever-evolving demands for their business and portfolio companies, from acquisition to exit, through an integrated global network of 152,000 audit, tax, transactional and consulting services.

### ***Government & Public sector***

EY's Government & Public Sector practice aims to be the preferred partner in driving transformational change for governments around the world. In countries large and small, developed and emerging, EY understand the issues and can provide clients services that will have lasting impact.

### ***Technology***

EY's Global Technology network is focused on continuous innovation, shifting markets, converging industries, consumer demand and the need for first mover advantage. EY bring together over 14,000 professionals around the globe to help you manage risk, transform business performance and sustain improvement. They anticipate market trends, identify the implications and develop points of view on relevant industry issues.



### *Telecommunications*

EY's global telecommunications network is a virtual hub that brings together people, cultures and leading ideas from across the world, to help clients address their global, regional and local challenges. These may include next-generation services and product profitability, customer lifecycles and revenue assurance, working capital management, risk, regulatory strategies and compliance, potential cost reductions, mergers and acquisitions, financial and operational improvements, accounting and tax strategies.

### *Transport, Shipping & Offshore*

Shipping is one of Norway's most important industries and forms the core of a large marine nutrition environment. EY revises a significant number of companies in all shipping segments. EY's ambition is to be the leading provider of audit and advisory services to this industry.

### **Enterprises of public interest audited by EY Norway**

|  |                                |                                 |
|--|--------------------------------|---------------------------------|
| AF Gruppen ASA   | Agder Energi AS                | Akershus Energi AS AKVA         |
| Group ASA  | Andebu Sparebank Apptix ASA    | Aqua Bio Technology             |
| ASAAqualis ASA   | Arcus ASA                      | AS Financiering                 |
| Assuranceforeningen SKULD  | Avinor AS                      | Awilco LNG ASA                  |
| B2Holding ASA  | Bergenbio AS                   | Belships ASA                    |
| Biotec Pharmacon ASA   | Borgestad ASA                  | Borregaard ASA                  |
| Bouvet ASA   | Bustadkreditt Sogn og Fjordane | BW Offshore Ltd                 |
| Data Respons ASA   | DNB ASA                        | DNB Bank ASA                    |
| DNB Boligkreditt AS  | DNB Forsikring AS              | DNB Livsforsikring AS DNB       |
| Næringskreditt AS  | DNO ASA                        | Eidsiva Energi AS               |
| Eidesvik Offshore ASA  | Eiendomskreditt AS             | Electromagnetic Geoservices     |
| EVRY ASA   |                                |                                 |
| Fana Sparebank   | Fana Sparebank Boligkreditt AS | FLEX LNG LTD                    |
| Gildeskål Sparebank  | Golden Energy Offshore Service | Havila Shipping ASA             |
| Hemne Sparebank  | Hexagon Composites ASA         | Hiddn Solutions ASA             |
| Hofseth Biocare ASA  | Hunter Group ASA               | Høegh LNG Holdings Ltd IDEX     |
| Incus Investor ASA   | Intex Resources ASA            | Kommunalbanken AS               |
| Kongsberg Gruppen ASA  | Lyse AS                        | Kredittforeningen for Sparebank |
| Larvikbanken Brunlanes   | Sparebank Ly Forsikring AS     | Marine Harvest ASAModum         |
| Sigdal og Krødsherad Gjensidige Brannkasse Multiclient Geophysical ASA |                                | Møre Boligkreditt AS            |
| NEL ASA  | Nordic Mining ASA              | Nordic Nanovector ASA           |
| Nordic Semiconductor ASA   |                                |                                 |

|                                    |                                   |                         |
|------------------------------------|-----------------------------------|-------------------------|
| Nordlys Forsikring Gjensidig       | Nordnet Livsforsikring AS         | NRC Group ASA           |
| Norsk Hussopp Forsikring Gjensidig | NTS ASA                           | Odfjell SE              |
| Orkla ASA                          | Panoro Energy ASA                 | PCI Biotech Holding ASA |
| Petroleum Geo Services ASA         | Polarcus Limited                  | Posten Norge AS         |
| Rindal Sparebank                   | RomReal Ltd.                      | Salmar ASA              |
| Safe Deposit Bank of Norway AS     | Saferoad Holding ASA              | Scanship Holding ASA    |
| Scatec Solar ASA                   | Schibsted ASA                     | Sevan Marine ASA        |
| Solon Eiendom ASA                  | Solstad Farstad ASA               | Sparebanken Din         |
| Sparebank 1 Gudbrandsdalen         | Sparebank 1 Lom og Skjåk          | Sparebank 1 Modum       |
| Sparebanken Møre                   | Sparebanken Sogn og Fjordane      | Sparebanken Telemark    |
| Sparebanken Øst                    | Sparebanken Øst Boligkreditt AS   | Spectrum ASA            |
| Statnett Forsikring AS             | Statnett SF                       | Storm Real Estate ASA   |
| Strongpoint ASA                    | Team Tankers International Ltd    | Telenor ASA             |
| Telenor Forsikring AS              | TGS-NOPEC Geophysical Company ASA |                         |
| Tinn Sparebank                     | Vardar AS                         | Veidekke ASA            |
| Vestbo Finans AS                   | Vistin Pharma ASA                 | Vizrt Group AS          |
| Watercircles Forsikring AS         | Weifa ASA                         | Ya Bank AS              |
| Zalaris ASA                        | Østfold Energi AS                 | Åfjord Sparebank        |
| Aasen Sparebank                    |                                   |                         |

## 6.3 KPMG

### Services

#### *Assurance*

KPMG's audit and assurance services:

- Audit of annual accounts
- Audit of interim financial statements
- Agreed control actions
- Municipal audit / revision of the public sector
- IFRS
- Internal audit
- IT revision
- Environmental services and reporting on social responsibility
- Examination and preventive services
- Assistance within tax, fee, accounting and financial management

## *Tax*

KPMG's goal is to make the complex understandable, thus helping the clients business navigate safely through an increasingly regulated. KPMG help their clients in four areas.

1. *Corporate tax*: KPMG has extensive experience and expertise in Norwegian corporate tax, and through their global network they can assist in all issues related to international corporate taxation. KPMG specialize in areas such as: National corporate taxation, International corporate taxation, Transfer pricing, filial Taxation, Petroleum Taxation, Power Taxation, Shipping tax, Reporting obligations for companies, Due diligence
2. *Personal tax*: PMG provides advice on all issues related to tax law issues for individuals, including investment structures, wealth tax, tax treatment of pay benefits, equity-based incentive schemes, real estate in Norway and abroad, entry and exit to/from Norway, exit taxation and avoidance of double taxation. KPMG can also assist in the preparation of tax returns and tax papers, be advisers in the field of bookkeeping and comparative cases, appeal proceedings against the judicial authorities and court proceedings.
3. *VAT and customs*: The rules for VAT, customs duties, shipping charges and international charges are very complex, and optimal tax strategies can generate significant financial savings. How a business is organized may affect the challenges it faces. KPMG's tax group consists of highly experienced employees with practical understanding of business challenges and opportunities. This means that KPMG are able to provide clear advice and suggestions for solutions that are specifically tailored to the individual customer's needs and challenges. This combined with their global network of specialists in their field is the key to achieving tax optimization, avoiding risk and cost, and ultimately minimizing the burden of internal business processes.
4. *China desk*: Over the years, KPMG have assisted Chinese and Norwegian clients on cross-border investments including: International tax structuring, M&A, Due diligence, Tax modelling, Restructuring, Public-private partnerships, Tax compliance and administration, Payroll and individual tax compliance, VAT compliance and Dispute Resolution.

*Advisory*

KPMG Consulting is divided in four areas:

1. *Management Consulting*: KPMG's team has long experience from both line manager and consultant roles, and can demonstrate how the business can establish processes that facilitate long-term value creation. KPMG combines industry and professional knowledge with commitment and dedication to deliver successful solutions to public and private sector businesses. They put together interdisciplinary teams to ensure that the real needs are met. The work is based on proven and flexible methods tailored to each individual assignment, and they work closely with clients to create ownership and commitment to new solutions and working methods.
2. *Risk services*: Managing a business in Norway today can be complicated. The authorities are constantly introducing new rules, and are increasingly monitoring compliance. In addition, managers must ensure sustainable business management, optimize processes, increase revenue, manage risk, boost reporting, optimize costs and promote innovation. Given all of these requirements, more and more businesses in both the public and private sectors are seeing a well-functioning internal audit, comprehensive management, risk management and good compliance are key factors in overall enterprise management.
3. *Deal Advisory*: KPMG assists national and international companies and private equity funds throughout the process. By putting together teams with different expertise and experience, KPMG provide the best possible results for their clients. KPMG have specialists who help clients with everything from conceptual reviews to acquisitions to the complex implementation. This way KPMG ensure: A successful completion of acquisitions and integration where risk is reduced and opportunities are identified, that you get the greatest value from the sale of the business and minimizes disturbance to management and the risk of failure in new investments is reduced.
4. *Investigation and prevention services*: KPMG's team is interdisciplinary composed of experts with different education and experience. They have backgrounds from, among other things, the audit, the police and compliance work in large Norwegian companies. Several of their employees work a lot internationally and have significant operational experience from a number of countries in the world.

***Accounting & financial services***

KPMG Accounting and financial services help clients in five areas:

1. *Accounting and system:* KPMG's experts can provide practical and legal assistance in all areas related to the operation of the clients business, such as corporate and personal tax, labor law, contracts, etc. If the client run international business, KPMG's legal experts also offer assistance related to added value and customs, as well as insurance, tax, social security and employment law in case of internal and external stationing of workers in international employment.
2. *Accounting with Microsoft Dynamics Navision:* KPMG believe Microsoft Dynamics Navision together with other Microsoft products provides a seamless experience for their customers. With Power BI, KPMG offer their clients relevant information for enterprise management and analysis. With Microsoft Dynamics Navision, you get a global system that can be used in all countries, covering legal requirements, as well as local languages. The system supports multi-currency bookkeeping while the system supports liquidity management. The solution covers requirements for warehouse, logistics, production and PO functionality as part of standard software. The system operates in Microsoft Azure and is delivered as a shooting service to all our customers.
3. *Payroll Services:* KPMG's specialists perform: Salary calculation with quality assurance of wage input, Reporting to the authorities, Sickness and absence follow-up, Follow-up to NAV, Pension and insurance management, Control and follow-up of travel and expenses, and Professional advice.
4. *Accounting with technology and ease of use in the driver's seat:*
5. *Annual statements and tax documentation:* KPMG's service delivery is not about sending attachments and sending reports once a month or quarter. For them, it is about setting up procedures and processes that allow clients to have full insight into the entire business, from the bird's eye view all the way down to individual attachments. It gives an overview, it provides action space, and it provides competitive power.

## **Industries**

### ***Automotive***

KPMG's Automotive network brings together audit, tax and advisory professionals to help KPMG take a broad ranging approach to their clients' activities within the industry. KPMG's services focus on assisting their clients to address key issues facing the automotive industry including: reporting and regulation, sustainability and the environment, plant location, closures and relocation, emerging market companies, evolving distribution channels, consumer trends, private equity investment, improving operational efficiencies, market entry and expansion, and business operating model structure.

### ***Banking & Capital Markets***

The finance industry is faced with a series of changes due to technological development and regulatory changes. Social media, online self-service solutions, apps and robots have made their contribution to all parts of the financial industry. At the same time, regulatory authorities still impose stricter capital requirements, governance and control. Business models, role models and customers' patterns of use are still changing. KPMG has the expertise that can ensure your business's future success and help protect and create sustainable value creation.

### ***Energy***

Energy is an industry that has been through major transformations over the years, and which will continue in the years to come. KPMG has expertise in most areas of energy - and has an international network of experts who can assist with complex issues.

### ***Consumer & Retail***

Constant disruption continues to test the Consumer & Retail industry—presenting new opportunities while challenging norms—faster than many companies can keep pace with. With a deep understanding of these companies' most pressing issues and priorities, KPMG's Consumer & Retail professionals offer a full suite of forward-looking audit, tax and advisory services, designed to mitigate risk, boost competitiveness and drive value.

### ***Government & Public Sector***

KPMG understands the complexities and requirements that public firms need to take care of, while taking into account drivers for digital transformations. KPMG assists many large and small businesses throughout the change process, from strategic perspective to implementation and practical execution.

### ***Healthcare***

KPMG advises and supports health professionals, managers and board members to help them create positive changes through restructuring, quality improvements, efficient use of resources and a more strategic use of health technology. KPMG's experts have extensive industry and professional expertise from the healthcare sector, providing a wide range of services - both within consulting, auditing and legal assistance. Their goal is to help customers deliver cost effective services, with high quality and measurability, and contribute to increased innovation in the healthcare sector.

### ***Industrial Manufacturing***

Whether you are dealing with new technologies, new competitors, new business models or new customer expectations, the reality is that your business is changing. Whether you want to transform your enterprise, grow your business, manage your risks, improve your performance or enhance your customer relationships, KPMG can help.

### ***Oil & Gas***

The Norwegian oil, gas and energy industry is in the midst of the probably largest turnaround period in the industry's history. In this perfect storm, KPMG's experts in auditing, consulting and legal services contribute to increased competitiveness for the sector.

### ***Technology, Media & Telecom***

KPMG's technology professionals understand the changing and challenging environment, both startups and Fortune 500 companies. They combine industry knowledge with technical experience to provide insights that help technology leaders deal with their complex business

models. Our professionals go beyond today's challenges to anticipate the potential long and short-term consequences of shifting business, financial and technology strategies.

KPMG helps traditional and digital media organizations find ways to deliver media content in efficient and profitable ways. Their media professionals work with most of the world's leading media and entertainment companies, providing extensive professional advice on a whole range of operational, financial, regulatory and strategic issues.

KPMG's team of telecom experts work with some largest fixed, mobile and satellite companies all over the world to address their current challenges and better align their capabilities with today's consumer. Whether this means acting as a central ecosystems manager, or providing network, software and device capabilities, their global team can help define strategies to adjust to today's rapidly changing market.

### ***Transport & Logistics***

KPMG's capabilities cover:

- aviation (airports, airlines and airline services)
- land transport (heavy and light rail, coach, bus and transit)
- road freight and logistics (including postal).

They understand the financial and operational drivers of the transport sector and can assist our firms' clients in dealing with current and emerging issues such as market consolidation, deregulation, public private partnerships and financing.

### ***Real Estate, Hospitality & Construction***

KPMG has a global network of professionals with extensive experience and expertise that is particularly beneficial for the construction industry. Their network enables them to quickly mobilize advisory teams - regardless of where you are and what challenge you face.

### ***Private Equity***

KPMG was the first accountancy organization to have a dedicated multi-disciplinary private equity group. Our professionals, leveraging global expertise from other areas of the firm, are ideally placed to help funds to address the challenges of these more benign market conditions, exploit opportunities in high-growth developing markets and ultimately add value for your



investors. KPMG offers services within Private Equity such as buyers due diligence, valuation and modeling, strategic and commercial analysis and advice, operational analysis and advice, financial risk management, transformation, audit, and tax.

### *Shipping*

Our strong, multidisciplinary competence environment in Norway consists of experienced lawyers, economists, accountants and consultants with extensive knowledge in shipping and transport. Combined with our connection to a broad, international network, we can deliver a wide range of services.

### *Seafood*

In both fishing and aquaculture, Norwegian players have a close eye on technological developments, but in an increasingly tighter competition image it is challenging to ensure that all parts of the business are always competitive at international level. KPMG's Seafood Team has for a number of years worked closely with - and in some cases - some of the industry's foremost players. They know the challenges well and know what it takes to solve the problems.

### **Enterprises of public interest audited by KPMG Norway**

|   |   |
|---|---|
| Agria Dyreforsikring                    | Akastor ASA   |
| Aker ASA                                | Alpha Insurance AS                                      |
| Aker Solutions ASA                      | Aktiv Kapital Nordic                                    |
| American Shipping Company ASA           | Aker BP ASA   |
| Akva Group ASA                          | Arendals Fossekompagni ASA                              |
| Askim og Spydeberg Sparebank            | Bonheur ASA   |
| Bank 1 Oslo Akershus AS                 | BMW Financial Services Norge NUF                        |
| BN Bank ASA                             | Bolig-og næringskreditt AS                              |
| Bud Fræna og Hustad Sparebank           | Citibank International Plc, Norway Branch NUF           |
| Codan Forsikring                        | De Lage Landen Finans Norge NUF                         |
| Fred. Olsen Energy ASA                  | Gjensidige Bank ASA                                     |
| Gjensidige Stjørdal Brannkasse          | Gjensidige Forsikring ASA                               |
| Gjensidige Bank Boligkreditt AS         | Gjensidige Forsikring Nordmøre og Romsdal               |
| Gjensidige Oppdal-Rennebu Brannkasse    | Gjensidige Pensjonsforsikring AS                        |
| Handelsbanken                           | Handelsbanken Eiendomskreditt Filial av Stadshypotek AB |
| Handelsbanken Finans NUF                | Handelsbanken Liv NUF Harstad Sparebank                 |
| HDI Global SF Filial Norge              | Indre Sunnmøre Gjensidige Branntrygdslag                |
| Industriforsikring AS Infratek Group AS | Instabank ASA   |

|   |  |
|---|--|
| Itera ASA                                 | Klæbu Sparebank Kværner ASA                  |
| Magseis ASA                               | Navamedic ASA Nemi Forsikring AS             |
| Nesset Sparebank                          | Nord-Trøndelags Elektrisitetsverk Holding AS |
| Norwegian Energy Company ASA              | Noreco Norway AS                             |
| Norsk Hydro ASAOceanteam ASA              | Ocean Yield ASA                              |
| Opera Software ASA                        | Photocure ASA                                |
| Philly Shipyard ASA                       | REC Silicon ASA                              |
| Selsbu Sparebank                          | SHB Liv Forsikringsselskap NUF               |
| Soknedal Sparebank                        | SpareBank 1 BV                               |
| SpareBank 1 Nord-Norge                    | SpareBank 1 Forsikring AS                    |
| SpareBank 1 Nøtterøy-Tønsberg             | Sparebanken Narvik                           |
| Sparebank 1 Skadeforsikring AS            | Sparebank 1 Søre Sunnmøre                    |
| Statoil ASA                               | Statoil Forsikring a.s.                      |
| Sunndal Sparebank                         | Sykkylven Gjensidige Trygdelag               |
| Tomra Systems ASA                         | Totens Sparebank                             |
| Totens Sparebank Boligkreditt AS          | Toyota Kreditbank GmbH NUF                   |
| Tromsbygd Gjensidig Sjøforsikringsselskap | TTS Group ASA                                |
| W. R. Berkley Insurance Nordic            |  |
| W. R. Berkley Insurance Norway NUF        | Ørskog Sparebank                             |

## 6.4 Deloitte

### Services

#### *Audit and Assurance*

Audit and Assurance services include:

1. IFRS-reporting: Deloitte has extensive experience from IFRS implementations and can assist in several areas. They can, for example, lead the entire implementation, or they can assist with their experience in a project managed by the company itself. Either way, one of their goal is to effectively transfer knowledge so that IFRS is well incorporated into the organization.
2. Accounting and financial reporting: Deloitte offers a range of services in the field of accounting and financial reporting both for government, municipal and private sectors.
3. Preparation of accounting papers and tax papers in the annual report: Deloitte can assist in preparing financial statements and notes, preparation of tax papers, and preparation of shareholder registry tasks.
4. Performance audit and corporate control: Deloitte is one of Norway's leading suppliers of performance audits and company control. They have been elected as permanent

auditor for a number of municipalities and county municipalities and also conduct individual performance audits and company controls on request. Deloitte has a broad professional environment with expertise in municipal audit.

5. **Investigation and Forensic Services:** Deloitte offers services ranging from investigation to advisory and preventive work related to compliance, anti-corruption systems and anti-corruption counseling, anti-money laundering, security and analysis of electronic information and background surveys, as well as assistance in litigations.
6. **Internal Audit:** Good internal audit creates value through better management information, quality assurance of processes and decision making, and by ensuring compliance of laws, rules and internal routines.
7. **Media and Advertising Assurance:** Deloitte offers services within Media & Advertising Assurance which sets a new standard for insight and trust in the value chain. They provide a variety of verification and advisory services for buyers and sellers of ads in both digital and traditional media. These services include: reviewing contracts before an ad campaign, evaluation of media quality, brand risk, information processing and cyber security, review of contract after a campaign, evaluation of goal achievement, and assessment and choice of media agency.

### ***Consulting***

Deloitte Consulting is divided into three areas:

1. *Human Capital* services leverage research, analytics, and industry insights to help design and execute HR, talent, leadership, organization, rewards and change programs that enable business performance through people performance. Human Capital deliver services within Organization Transformation Management, HR Transformation, and Actuarial, Rewards & Analytics.
2. *Strategy & Operations:* professionals draws on the strength of Deloitte's full suite of professional services and industry experience to focus solutions on the real issues affecting businesses today. They have the experience and expertise to help clients act with certainty and thrive, and work collaboratively with their clients to link strategic vision to flawless execution to achieve tangible, long-term value. S&O's services include Business Model Transformation, Finance Transformation, Mergers and Acquisition, Service Operations, Strategy and Supply Chain.
3. *Technology:* Deloitte technology professionals around the world help clients resolve their most critical information and technology challenges. Technology's services

include: CIO & Executive Program, Deloitte Digital, Analytics and Information Management, Oracle, SAP, System Integration, Technology Strategy & Architecture, Consulting.

### ***Financial advisory***

Deloitte has a wide range of services linked to the CFO's agenda, which includes both financial advisory and finance/accounting services:

1. **M&A:** Deloitte contributes with specialists in each area in the transaction process, and with experience from similar situations in relevant industries and businesses. Their clients range from small and medium-sized Norwegian companies to publicly listed and international companies and PE-players. Services offered by M&A are Purchase of Businesses, Sale of Businesses, Post Merger Integration, M&A-Transactions, Merger, and Negotiation Assistance.
2. **Financial Challenges:** Deloitte help clients with challenges related to financial issues, financial crime, investigations and/or litigations, as well as planning how to deal with such a crisis if it should occur. Services offered related to Financial Challenges are Anti Corruption, Fraud Investigation and Forensic Services, and Expert Statements of Disputes.
3. **M&A-Transactions:** Deloitte assist throughout the entire transaction process. The main purpose is to analyze buy/sell objects, as well as market development with the purpose of revealing conditions that could affect an investment decision, the agreements or the transaction price. Various service areas within transaction consulting include: Buyers and sellers due diligence, sales assistance, commercial due diligence, independent business review, consultancy on transaction structuring, input to sales and purchase agreements, optimization of working capital, and initial public offering (IPO).
4. **Commercial Due Diligence:** Deloitte's Nordic M&A Strategy team provides highly customised commercial and operational support to both private equity and corporate clients throughout the M&A lifecycle. They bring insights that inform firms investment thesis, deal valuation and post-deal value creation plan by rapidly conducting primary research and combining it with secondary sources, covering the target company's markets, customers, suppliers, and competitors. Through strategic due diligence, they also assess potential upside opportunities that the business may not be taking advantage of, and possible downside risks that could disrupt the near-term or ongoing value of the deal.

5. **Financial Analysis and Modelling:** Deloitte delivers tailored financial analyzes related to a number of issues within a wide range of industries. Examples of financial analyzes and models are: evaluation of investment opportunities, transactions support, risk and uncertainty analysis (Monte Carlo simulation), valuations, impairment test, etc.
6. **Restructuring and Capital Structure:** This separate service area within Deloitte Financial Advisory offers a wide range of advisory services related to restructuring and turnarounds for companies with financial challenges. They also advise companies on the appropriate capital structure, and can assist in negotiating or renegotiation of financing solutions. They assist banks and bondholders to review and evaluate strategic plans, business plans, budgets and forecasts to assess its ability to service debt and to define the future business foundation.

### ***Legal***

Services provided by Legal are:

1. **Labor Law and Pensions:** Deloitte's insight and expertise within labor law make them a natural participant in dealing with issues relating to labor law issues. They have broad experience and offer services in these areas: individual labor law, collective labor, hiring and renting labor, social dumping, reorganizations, downsizing, and layoffs, transactions, labor law due diligence, pension law, privacy policy, social security law.
2. **Commercial Law:** Companies face increasing business challenges globally including more rigorous regulations & enforcement by local authorities in the countries where they operate. We offer a wide range of business legal services in several jurisdictions: drafting of contracts and negotiations, intellectual property rights and patents, litigation and dispute settlement, public procurement, EU and competition law, privacy policy, generational change, insolvency and restructuring, and real estate.
3. **Corporate, M&A and Transactions:** Deloitte Legal offer a full range of services related to company law and transactions, from complex advisory services in connection with major events in the company's life course to general corporate law. They provide advice to both national and international companies and groups in the following areas related to company law and M&A: shareholder agreements, acquisitions, transactions and joint ventures, and corporate law.
4. **Real Estate:** Deloitte advises both within legal, accounting and financial aspects of the implementation of real estate projects. Deloitte assists in all phases of their client's real

estate projects, including: government relations, negotiations with other players, disputes, and risk management.

5. **Forensic and Investigation:** Deloitte offers services ranging from investigation to advisory and preventive work related to compliance, anti-corruption systems and anti-corruption counseling, anti-money laundering, security and analysis of electronic information and background surveys, as well as assistance in litigations.

### ***Risk advisory***

Risk advisory offer services such as:

1. ***Cyber Risk:*** Deloitte helps organizations prevent cyber attacks and protect valuable assets. We believe in being secure, vigilant, and resilient—not only by looking at how to prevent and respond to attacks, but at how to manage cyber risk in a way that allows you to unleash new opportunities. Embed cyber risk at the start of strategy development for more effective management of information and technology risks.
2. ***Financial Risk:*** Deloitte helps organizations across the full lifecycle of financial transactions. From governance and processes to technology and reporting, our services can enhance transparency, efficiency, compliance, and financial integrity. Their services include Market & Credit Risk, Capital Management, Liquidity & Treasury Risk, Accounting & Financial Reporting Risk.
3. ***Operational Risk:*** Deloitte helps organizations transform the ways they leverage people, third-party relationships, technology, data, business processes, and controls to manage operational risks and elevate business performance. Developing integrated, strategically-aligned operational risk management solutions allow organizations to make optimized business decisions. Services include: internal audit, assurance, conduct risk, extended enterprise risk management, operational risk & transformation, technology & data risk.
4. ***Regulatory Risk:*** Deloitte helps organizations anticipate and adapt to changes in the regulatory environment, and build better programs and controls to address the wide variety of regulations and regulatory risks. We work with clients and regulators on effective remediation in response to compliance events. Services include: regulatory strategy, regulatory response, and regulatory compliance.
5. ***Strategic and Reputation Risk:*** Deloitte helps organizations make risk-informed strategic choices and respond to disruptions to grow their business and protect their reputation. C-suite and boards need the right insights, best-in-class corporate

governance, and a risk culture aimed at driving value. Services include: corporate governance, strategic risk, brand and reputation risk, crisis management, and sustainability.

## ***Tax***

Deloitte Tax help clients in six different areas:

1. *BEPS Reading Scan 1-2-3*: Deloitte has developed a product called the BEPS Readiness Scan 1-2-3, which is basically a three step process:
  - a. The client answer the questions in a quest back that Deloitte have prepared for international groups with Norwegian companies, focusing on the BEPS action points relevant for corporate income tax purposes
  - b. Deloitte and the client have a meeting discussing the topics in the quest back;
  - c. Deloitte issue a high-level BEPS Readiness Scan that indicates your group's BEPS readiness (red, yellow or green) and suggest measures to improve the BEPS readiness.
2. *Global employer Services*: Laws and regulations vary from country to country - mobility provides both opportunities and challenges. Deloitte has broad expertise in national and international challenges, as well as an extensive international network as part of a global organization. With this starting point, Deloitte can assist with advice, analysis and planning so that both employer and employee relationships are taken care of in the best possible way.
3. *Business Tax*: Deloitte can assist clients with all types of tax issues that arise in connection with the clients business. By gaining in-depth knowledge and experience of corporate and accounting issues that may arise in connection with tax assessments, Deloitte can provide appropriate tax advice combined with practical tax assistance. Deloitte's advice focuses on simplifying administration and handling of tax law issues, providing overview and facilitating informed and strategic decisions for multinational companies.
4. *Labour Law and pensions*: \*\*See Legal 1)\*\*
5. *Commercial Law*: \*\*See Legal 2)\*\*
6. *Corporate, M&A and Transactions*: \*\*See Legal 3)\*\*

## **Industries**

### ***Consumer***

Deloitte's Global Consumer Industry group delivers results with a team of international professionals providing integrated services to clients around the world across four sectors: Automotive; Consumer Products; Retail, Wholesale & Distribution; and Transportation, Hospitality & Services.

### ***Energy, Resources & Industrials***

Deloitte's Global Energy, Resources & Industrial specialists provide comprehensive, integrated solutions to all segments of the Oil, Gas & Chemicals, Power & Utilities, Mining & Metals, and Industrial Products & Construction sectors. Deloitte is the market leader in Norway within audit and advisory in the power industry, and have direct experience from the oil industry.

### ***Financial Services***

Deloitte's financial services industry specialists provide comprehensive, integrated solutions to the banking & capital markets, insurance, investment management sectors, and real estate.

### ***Government & Public Sector***

Deloitte Government & Public Services is committed to improving public outcomes through a focus on people. At Deloitte they think about the complex issues facing the public sector and develop relevant, timely, and sustainable solutions for their clients in areas such as Civil Government, Defense, Security & Justice, Health & Social Care, International Donor Organizations, and Transport.

### ***Life Sciences & Health Care***

For Deloitte Norway, the health sector has been an active focus area for many years. Deloitte works for the ministry, directorate, regional health and health authorities in all regions of the country and is currently Norway's largest knowledge center in advisory services in the healthcare sector.



***Technology, Media & Telecommunications***

Deloitte's industry experts in TMT have long experience and have been involved in the major changes in the industry in recent years. They offer a complete service offer from strategy to implementation.

**Enterprises of public interest audited by Deloitte Norway**

|                                     |                                  |                          |
|-------------------------------------|----------------------------------|--------------------------|
| ABG Sundal Collier Holding ASA      | AMFA Finans AB                   | Anticimex Forsikring     |
| Atea ASA                            | Aradius (NUF)                    | Aurland Sparebank        |
| BKK AS                              | Bluestep Finans AB (NUF)         | Color Group AS           |
| Danica Pensjonsforsikring AS        | Danske Bank                      | DHT Holdings Inc         |
| Eika Boligkreditt AS                | Eika Kredittbank AS              | Eika Forsikring AS       |
| EnterCard Norge AS                  | Entra ASA                        | Etne Sparebank           |
| Finse Forsikring AS                 | Försäkringsaktiebolaget          | Nordisk Garanti          |
| Hadeland Gjensidige Brannkasse      | Haugesund Sparebank              | Hønefoss Sparebank       |
| Ikano Bank AB (publ), Norway Branch | Jæren Sparebank                  |                          |
| Knif Trygghet Forsikring AS         | Kongsberg Automotive Holding ASA |                          |
| Meldal Sparebank                    | Multiconsult ASA                 | NattoPharma ASA          |
| Nextgentel Holding ASA              | Norges Statsbaner AS             | NorgesGruppen ASA        |
| Norwegian Air Shuttle AS            | Polaris Media ASA                | Saga Tankers ASA         |
| Sandnes Sparebank                   | Skandiabanken Boligkreditt AS    | Sparebank 1 SMN          |
| Skandiabanken ASA                   | Skudenes & Aakra Sparebank       | Statkraft SF             |
| Sogn og Fjordane Energi AS          | Solveig Gas Norway AS            | Storebrand ASA           |
| Sparebank 1 Boligkreditt AS         | Sparebank 1 Hallingdal Valdres   | Storebrand Forsikring AS |
| Sparebank 1 Kredittkort AS          | Sparebank 1 Næringskreditt AS    | Swedbank Norge (NUF)     |
| Sparebank 1 Ringerike Hadeland      | Sparebank 1 Finans Midt-Norge AS | Tide AS                  |
| Sparebanken Vest                    | Sparebanken Vest Boligkreditt AS | Vestre Slidre Sparebank  |
| SSB Boligkreditt AS                 | Statkraft AS                     | Yara International ASA   |
| Statkraft Forsikring AS             | Steen & Strøm AS                 |                          |
| Storebrand Bank ASA                 | Storebrand Boligkreditt AS       |                          |
| Storebrand Helseforsikring AS       | Storebrand Livsforsikring AS     |                          |
| Telia Finance Norge (NUF)           | Thin Film Electronics ASA        |                          |
| Tryg Forsikring (NUF)               | Trøndelag Bomveiselskap AS       |                          |
| Verd Boligkreditt AS                | Wilson ASA                       |                          |





This working paper provides a description of the Big Four Professional Service Firms (PSF): PwC, EY, KPMG and Deloitte. The working paper is based on publicly available information. It provides an overview of the Big Four PSFs, including their history, revenue, values, services and industries. The working paper describes the four PSFs according to the following topics: organization, recruitment, way of working, technology, corporate social responsibility, and alliances and clients. Overall, the paper offers a brief overview on how the PSFs create value.

# SNF



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