AI evolves world-renowned brand

Client story

Client	Sector	Project
Client Global financial payments provider	**Sector** Financial services	**Project** Machine learning governance, risk, and controls approach and framework

Client challenge

A U.S.-based financial payment services company built one of the world's most famous brands by adapting to change and evolving over time. As its customers embraced a future of frictionless, cashless commerce, the company carefully balanced transaction convenience with sophisticated fraud prevention. High levels of global regulatory scrutiny, overlapping regional requirements, competitive pressures, and critical reputation stakes all threatened the delicate balance for this world-renowned brand. Each factor would impact the company's consumer and business value proposition, which rests on rock-solid reliability.

The company's leaders engaged KPMG to apply our experience and methodologies to the payments provider's machine learning models. The goal was to keep the company on the frontier of data science while balancing the governance considerations.

KPMG response

KPMG worked with the company's Internal Audit team to develop a machine learning governance risk and controls framework and procedures to assist in evaluating machine learning models. The KPMG team:

— Compared the company's Internal Audit machine learning methods, procedures, capabilities, and skills against leading practices

— Combined Internal Audit, financial services industry knowledge, and artificial intelligence (AI) capabilities to develop a framework that evaluated machine learning risks and controls

— Embedded controls in the framework to factor for data quality, bias, explainability, risk processes, and technology

— Helped the client design enhanced approaches and techniques using automated accelerators, as well as improve their audit plan and procedures for evaluating machine learning models in the future.

Benefits to client

The governance framework helps equip the client with improved processes, procedures, and controls to evaluate current- and future-state machine learning models. Other benefits include:

— Capabilities, a framework, and a method to evaluate current and future machine learning models that incorporate greater trust and transparency and achieve desired outcomes while reducing risk exposure

— Improved ability to evaluate machine learning models using advanced data science practices

— Better equipped to evaluate less transparent solutions using machine learning algorithms to understand the decisioning and outcome of the solution.

Why KPMG

We use "business-first" AI to create tangible business impact.
As AI becomes a competitive must-have, we help organizations responsibly deploy technology capabilities that use machine learning, natural language processing, and neural networks to achieve their business objectives and align with their return-on-investment-driven agendas.

We know governance.
KPMG brings extraordinary depth of experience and specialized resources to evaluate the unique challenges introduced by machine learning while understanding the governance, risk management, and compliance requirements that organizations face.

Companies with global challenges need skilled advisers.
We know emerging technology and have specialists helping evaluate how these technologies are driving changes to business models and creating digital disruption.

If you are interested in learning more about this case study, or if you are experiencing similar issues, please contact us.

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For more information about KPMG's intelligent automation, please go to http://kpmg.com/us/ai.

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