



Finance Forward:

ACCELERATING FEDERAL FINANCE TRANSFORMATION

Meritalk, in collaboration with KPMG LLP, surveyed 150 Federal financial systems managers and decision-makers across finance and IT departments in May 2024 to explore the state of finance transformation, challenges, and key priorities.

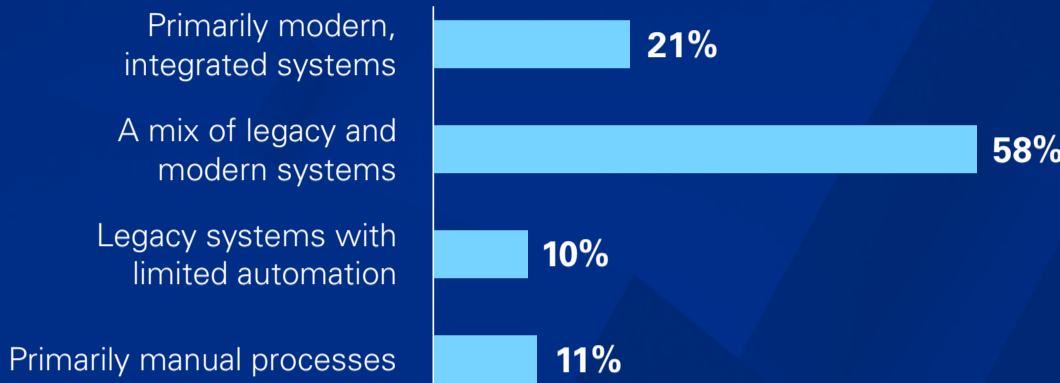


For this research, **finance transformation** refers to the process of leveraging technology to upgrade Federal government systems and processes to enable actionable, organization-specific financial insights in real time

Federal Finance in Flux

Most Federal organizations have begun modernization:

Which of the following best describes your organization's financial management systems?



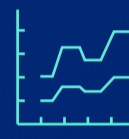
But less than half say their management systems are very effective in critical areas like:



Financial planning



Compliance



Data integrity



Just **one in three** have a clear, actionable, and well-communicated strategy in place, another **31%** are working to identify specific initiatives and timelines



Defense¹ organizations generally see themselves as mature or farther along the finance transformation curve

Core Challenges

76% say the overall pace of Federal finance transformation is too slow

87% say their organization needs to extract more value from financial data

Biggest frustrations with current financial operations?



Complex compliance systems (43%)



Lack of skilled personnel (39%)



Regulatory compliance issues (39%)



Inefficient processes (35%)

Most significant barriers to modernization?

#1 Lack of alignment between finance and IT teams

#2 Cybersecurity challenges

#3 Data quality and consistency issues



Defense organizations are nearly **2x** as likely as civilian to see cybersecurity as a barrier – **45% to 23%**

Priority Portfolios

When comparing priorities, defense organizations tend to prioritize tech innovations, while civilian organizations concentrate more on workforce development



Defense priorities:

- #1** Technology upgrades
- #2** Data management and analytics



Civilian priorities:

- #1** Data management and analytics
- #2** Workforce development

What's Next?

Download the full report for detailed results and recommendations:

meritalk.com/study/accelerating-federal-finance-transformation

KPMG can action real change for the Federal government, today – no matter where you are in your finance transformation journey.

To get started, go to: visit.kpmg.us/fedfintrans

¹ Includes respondents from DoD or Intelligence agencies



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