



Audit Services for Music Licensing Royalties

Challenge

Music licensing is an essential revenue strategy in the media and entertainment business. However, systemic challenges make it difficult for rights holders to ascertain whether royalties are being recognized correctly.

- **Underreporting:** 85% of licensees have been found to underreport revenue – most frequently as a result of errors, improper payout calculations, and misinterpreted terms
- **Limited visibility:** Royalty reports often aggregate or omit data that is crucial to detecting noncompliance (such as timestamps that could signal unreported play counts)
- **Data complexity:** Exhaustive analysis is required to verify that payments align with agreement terms among all parties involved, including artists, producers, and publishers, for all relevant physical and digital channels
- **Payment models:** Revenue calculations involve highly variable factors depending on payment models (market share and individual listener), revenue sources (subscription-based, ad-based, and transactional), and location
- **Dispute resolution:** Addressing payment discrepancies or compliance problems with a distribution partner, while also trying to cultivate a successful relationship, demands careful balance

Music Royalty Audit

SymphonyAI's music royalty auditing services provide unbiased, comprehensive visibility to ensure that rights holders are fairly compensated according to agreement terms.

Our vast expertise in media and entertainment adds a level of scrutiny to every aspect of the audit process. Audit engagements are led by a dedicated team of experienced professionals who know where to look for signs of noncompliance and reveal issues that impact the business. At the same time, we recognize that successful licensing relationships are a strategic imperative.

A SymphonyAI audit delivers valuable insight and expert guidance to support profitable music licensing.

Analytical rigor

We systematically review all available materials to ascertain that contractual obligations have been met, including economic and non-economic terms, and expose areas of concern. For instance:

- Digital/physical sales
- Promotional costs
- Distribution fees
- Streams and downloads
- Historic sales trends
- Market data



Music Royalty Audit

Actionable reporting

Findings are meticulously documented to support collectability and we supply detailed information that can be used to improve future agreement negotiations. SymphonyAI reporting benefits include:

- Unbiased, objective findings
- Issues explained in full
- Supporting materials
- Clearly formatted reports
- Collectability defense

Expert support

Our auditing team works closely with customers to validate that agreements are performing to full expectations and issues uncovered in the audit process are satisfactorily resolved:

- Expert strategic guidance
- Effective communications
- Preliminary findings review
- Professional licensee interactions
- Post-audit findings support

SymphonyAI Credentials

- Secure, proprietary audit software for data extraction and organization with the ability to complete detailed reconciliation and subsequent variance analysis
- SOC certified; audits performed in accordance with GAAS as prescribed by AICPA
- Trusted by 300+ media customers with a global footprint spanning the Americas, EMEA, and APAC
- 40 years of audit experience; media division established in 1985, prior to joining SymphonyAI
- Retainer-based or project-based fees; SymphonyAI is not compensated based on findings or on any other type of contingency basis agreements
- All information and data provided to both IP owners and licensees is maintained under strict confidentiality

300+

Global media clients

\$60B

Media revenue processed per year

2,500

Audit reports issued per year

Get started with SymphonyAI media solutions

symphonyai.com/media/get-started