



KPMG's Third Party Risk Management as a Service (TPRMaaS) Solutions





Stay ahead: Mitigating third-party risks for a secure future



Understanding third-party risks: In today's interconnected business landscape, your organization relies on a network of third parties—vendors, suppliers, partners, and contractors—to drive success. However, these relationships can pose significant risks if not managed effectively. With 60% of data breaches linked to third parties and the average cost of a breach reaching \$4.88 million, robust Third-Party Risk Management (TPRM) is not just a necessity; it's a strategic imperative. Navigating the intricacies of third-party risk management, cost efficiency, and technology can be daunting, often leaving organizations feeling resource-strapped and overwhelmed by evolving regulations and stakeholder engagement challenges.

First things first.

What are outsourcing arrangements?

 First party Your entity	 Second party A subsidiary or parent company of your entity
 Third party A provider your entity outsources an activity or project to	 Fourth party A provider who delivers services to you directly or indirectly on behalf of a third party

Did you know?

70% enterprise risk decision-makers surveyed agree third party risk is a business priority (Forrester)	73% of organizations have experienced a significant disruption, caused by a third party, in the last 3 years (KPMG)
16% Only a minor 16% of organizations say they effectively manage third party data risks (Gartner)	60% of risk leaders warn that their technology does not give them "anywhere near the visibility they need" to manage third-party risk (KPMG)

KPMG's Third Party Risk Management as a Service (TPRMaaS) can help.

Our portfolio offers a comprehensive suite of ongoing, repeatable, outcome-based solutions designed to **help you identify, protect, monitor, and optimize your supplier risk program**. Our services are tailored to meet your specific needs, whether you require a single slice of our offerings or a full end-to-end solution.

Key benefits to your organization:

- 1. Managing cybersecurity risks:** Conduct thorough risk assessments and continuous monitoring to manage cybersecurity risks associated with third-party vendors.
- 2. Regulatory compliance:** Ensure that your third-party vendors comply with all relevant regulations and standards, addressing the growing regulatory focus on TPRM.
- 3. Cost savings:** Streamline processes such as SOC report reviews using AI-powered technology, potentially reducing time and resources by up to 50%.
- 4. Operational resilience:** Strengthen your organization's resilience by optimizing your supplier risk program and managing technology platforms effectively.
- 5. Data management:** Leverage data to provide actionable insights, enabling effective management of third-party risks.
- 6. Technology enablement:** Access an industry-leading TPRM technology platform, supported by skilled-driven consulting services for end-to-end lifecycle management.
- 7. Expertise and advisory services:** Benefit from a host of subject matter experienced professionals across various industries to support security assessments and TPRM engagements.
- 8. Tailored solutions:** Customize assessment services to best suit your organization's needs, whether it's a full suite of services or standalone assessments.
- 9. Efficient management:** Manage the third-party lifecycle efficiently, from onboarding to offboarding
- 10. Enhanced support for employees:** By improving compliance with TPRM-related regulatory requirements, we aim to create a more manageable and supportive environment for employees involved in these processes

Our Comprehensive TPRM Solutions



- **SOC Report Intelligence as a Service:** Streamline your SOC report review process, ensuring a consistent and thorough review that drives risk-intelligent decision-making.
- **Identity and Privacy Assessments for Third Parties:** Ensure your vendors uphold the highest standards of data protection and privacy compliance. Our services include thorough risk assessments, continuous monitoring, and compliance checks, tailored to safeguard your organization against identity theft, data breaches, and privacy violations.
- **Corporate Intelligence Services:** Conduct initial and ongoing third-party background checks to ensure the validity and reliability of your vendors.

- **TPRM Technology & Platform Enablement:** Implement an industry-leading TPRM technology platform, guiding clients through the phases of analysis, design, build, and deployment.
- **Third-Party Security Assessments and Monitoring:** Evaluate and manage cybersecurity risks associated with your third-party vendors through comprehensive assessments and continuous monitoring.
 These assessments are conducted leveraging industry best practices (e.g., ISF IRAM2, NIST 800-30), and provide recommendations to address the identified risks. This service includes:
 - **Risk Assessment:** We conduct a thorough risk assessment of your third-party vendors to identify potential vulnerabilities and threats. This includes evaluating their security policies, procedures, and controls.
 - **Continuous Monitoring:** Our service provides continuous monitoring of your third-party vendors to detect any changes in their security posture. This helps in identifying any potential risks at an early stage.
 - **Compliance Checks:** We ensure that your third-party vendors comply with all relevant cybersecurity regulations and standards. This includes conducting regular audits and reviews.
 - **Reporting:** We provide detailed reports on the security status of your third-party vendors. These reports include insights on potential risks, recommendations for improvement, and an overall security score for each vendor.
- **Fraud Investigation as a Service:** Maintain a vigilant stance against fraud through comprehensive background checks and investigation.

Data: The Cornerstone of Third Party Risk Management

We can help you harness the power of data to provide actionable insights, transforming the complex web of third-party interactions into a strategic advantage. With a data-centric approach, businesses can ensure that their greatest assets—third-party partnerships—remain robust and do not evolve into liabilities, thereby securing a competitive edge in the ever-changing business landscape.

Regulatory Focus on TPRM

There are several global regulations which emphasize the importance of TPRM with the business context. These include:

01	OSFI B-10 for Financial Service organizations
02	Digital Operational Resilience Act (DORA) in the EU, the regulatory focus on TPRM is increasing across all industries and for organizations of all sizes
03	US Interagency guidance on TPRM
04	LUX Circular CSSF 22/806 on outsourcing arrangements
05	UK PRA SS2/21 Outsourcing and third party risk management
06	Singapore MAS Guidelines for financial institutions on risk management of outsourcing arrangements

KPMG has the knowhow and multi-shore capabilities to guide you through your regulatory journey to ensure compliance in this ever-evolving landscape.

KPMG can help you:

- ✓ **Manage** cybersecurity risks by conducting thorough risk assessments, continuous monitoring, and compliance checks associated with third-party vendors.
- ✓ **Ensure** regulatory compliance by verifying that third-party vendors adhere to all relevant regulations and standards.
- ✓ **Streamline** processes to achieve cost savings, such as reducing the time and resources required for SOC report reviews by up to 50% using AI-powered technology.
- ✓ **Strengthen** operational resilience by optimizing the supplier risk program and effectively managing technology platforms.
- ✓ **Leverage** data to provide actionable insights, enabling organizations to manage their third-party risks effectively.
- ✓ **Provide** an industry-leading TPRM technology platform along with skilled-driven consulting services for end-to-end lifecycle management.
- ✓ **Access** expertise and advisory services from a host of subject matter experienced professionals across various industries to support security assessments and TPRM engagements.
- ✓ **Tailor** assessment services to meet the specific needs of the organization, whether it's a full suite of services or standalone assessments.
- ✓ **Facilitate** efficient management of the third-party lifecycle from complete onboarding to offboarding.
- ✓ **Enhance** support for employees by improving compliance with TPRM-related regulatory requirements, creating a more manageable environment for those involved in these processes.

Whether you are a Procurement Leader, CFO, CISO or simply interact with supply chain risk in your role. We understand your unique needs and challenges, and our solutions are tailored to meet these needs. Join us today to transform your third-party risk management strategy and secure your business's future!

Contact us to learn how KPMG's TPRMaaS can help you navigate the complexities of third-party risks and turn them into opportunities.



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