



# Third Party Risk Management

KPMG Forensic Services

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KPMG Advisory Ltd.



The benefits of a third-party network come with a host of risks. As the global marketplace grows more complex and competitive, third-party relationships become increasingly crucial to decreasing costs, managing risks, enhancing customer experiences, hastening speed-to-market, and improving value and profitability. Without reliable and reputable third-parties (i.e. vendors, suppliers, distributors, and contractors — in addition to brokers, agents, resellers, and contract manufacturers), businesses cannot compete with more dynamic organisations in their industry; and by inviting these entities into an organisation's network, they may also be opening the door to unwelcome risks.

## Range of risks with third parties

Legal and regulatory compliance, information security / cyber-security, business continuity, strategic, financial viability, and reputation risks represent a range of topics that may present surprises if not properly assessed or evaluated to properly manage the respective risks to an organisation.

## Client issues and business drivers

### Regulatory compliance

Comply with regulatory mandates that enforce TPRM activities (e.g. anti-bribery and corruption, sanctions)

### Managing risks

Manage the various Third Party risks in a manner that does not distract from commercial profitability goals

### Global operations

Cost-effective and sustainable approach to Board reporting via a comprehensive view of Third Parties, strategy, trends, and issues

### Operational efficiencies

Consistent management and integration of risk activities across different organizational functions throughout the life cycle of a Third Party

### Innovation

Innovate quickly and potentially oversee start-up companies that may not have a sophisticated risk management system

# KPMG Third Party Risk Management Solutions

KPMG's Third-Party Risk Management (TPRM) practice has been successfully advising clients on the most suitable framework, operating model, methodology and tools. Supported by our industry experience and market leading technology, we help businesses bring together the key components of an effective TPRM capability.

Whatever the maturity of your current capability, we can work shoulder to shoulder with you to ensure that third-party providers are a source of strength for your business, not a weak link.



## Assess

**Maturity Assessment** – Rapid current state review of TPRM capabilities; provide observations and recommendations.

**Regulatory Review** – gap analysis against relevant regulatory requirements; provide observations and recommendations.

**Business case and roadmap** – prioritize enhancements and size all the level of effort required to roll out the program.



## Transform

**Framework design** – Establish or enhance TPRM program and process components; develop program documentation lifecycle templates and technology business requirements.

**Technology enablement** – configure and implement workflow technology, risk intelligence software and third-party utilities

**Tuning and optimization** – Enhance elements of the TPRM program and process, such as metrics and reporting data analytics or TPRM risk appetite



## Run

**Scenario testing** of third party business continuity and exit plans

**Managed services** – operate end-to-end processes for pre-and post-contract screening and monitoring of third parties. Incorporate leading technologies and data sources with best practice processes delivered by risk domain experts

**Third Party Assessments** – execute portfolio of risk and controls assessments pre- and post-contract

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