



Third-Party Risk Management

Providing confidence to you and your vendors by managing your third party risks

Third Party Risk Management (TPRM) - An Overview

Third-Party Risk Management (TPRM) is a comprehensive framework for identifying and minimizing potential business risks and legal liabilities arising from outsourcing of business functions to 3rd party vendors

TPRM – Potential Benefits Envisaged



Vendor risk classification



Enable vendors to identify, report and communicate risks periodically



Empower client to collaborate with the Vendor and achieve self assurance



Reduce recurrence of issues through specialized tracking



Leverage automation and analytics to reduce risk and increase efficiencies in processes

Bad outsourcing decisions cause 63% of data breaches.*

Source: computerweekly.com

Our understanding of CBK Cyber Security Framework

Banks must perform information security due diligence and an assessment of the risks during the third party selection process

Communicate with CBK before engaging any significant outsourcing agreements

Identify and review security requirements on a periodic basis

Banks shall include specific aspects in the outsourcing agreements

Additional requirements to maintain inventory of outsourcing services

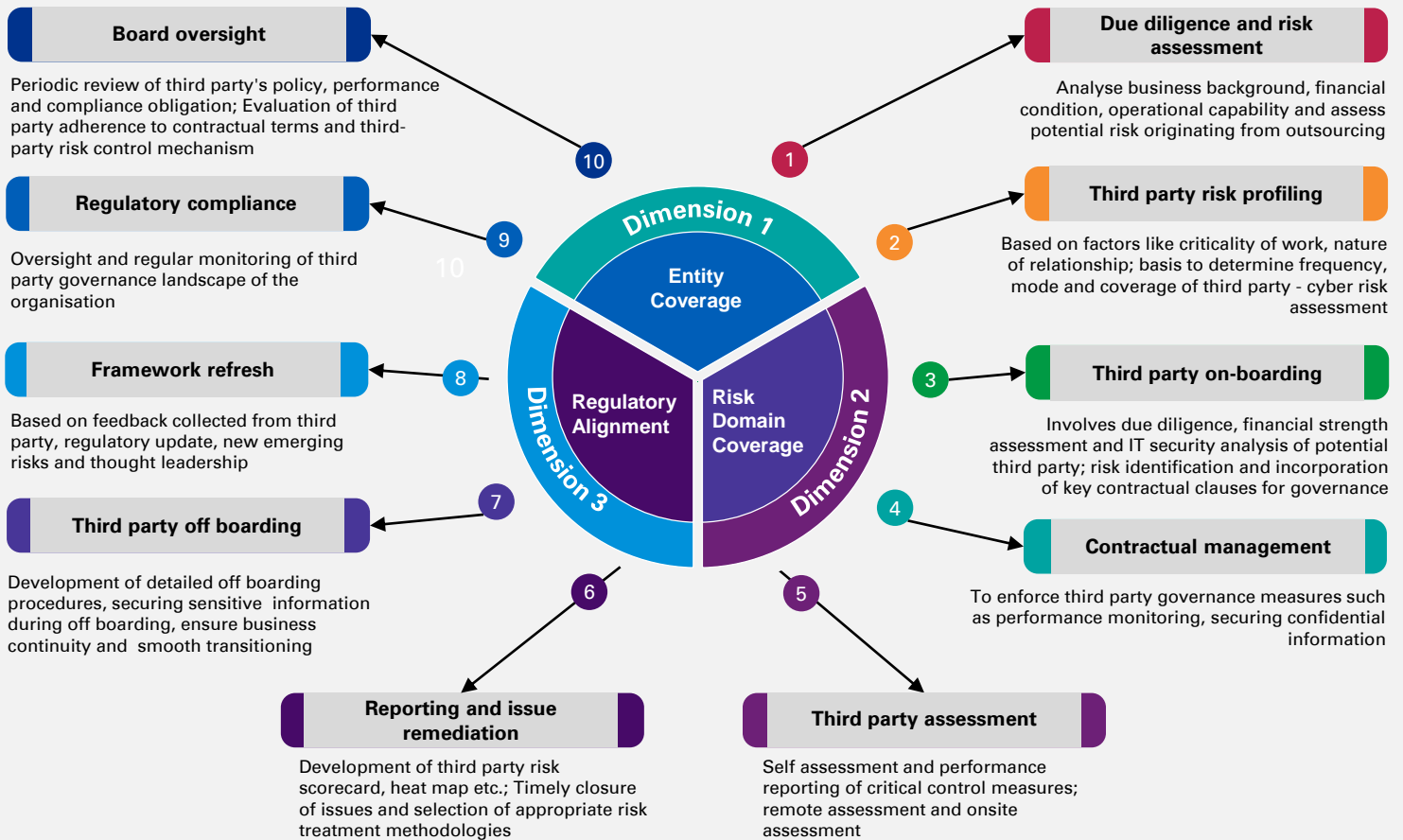
Banks to monitor activities of third party vendors and identified risks

Secure disposal of information assets that were exchanged during the execution of outsourcing agreement

Perform annual risk assessments

Address data protection requirements within the outsourcing agreement

Key Components of TPRM



Our Framework and Methodology

Risk Scoping

- We can help you to identify applicable risk areas for services outsourced

Service Risk Profile

- We can help you to identify supplier agnostic service risk profile
- Define update mechanism basis change in nature of service outsourced as well as on a periodic basis

Dynamic Supplier Risk Profile

- Define update mechanism basis change in nature of service outsourced, change in supplier service delivery mechanism as well as on a periodic basis
- Determine supplier assessment approach

Supplier Contracting

- We can help you identify T&C required to be included as part of supplier contract
- Define mechanism to update contractual clauses basis change in underlying service, service delivery mechanism on periodic basis
- Define requirements for contractual compliance assessments

Requirement / Control Inventory

- Basis supplier risk profile and nature of services provided, we can help you to determine list of controls/ requirements to be assessed for the supplier

Ongoing Monitoring

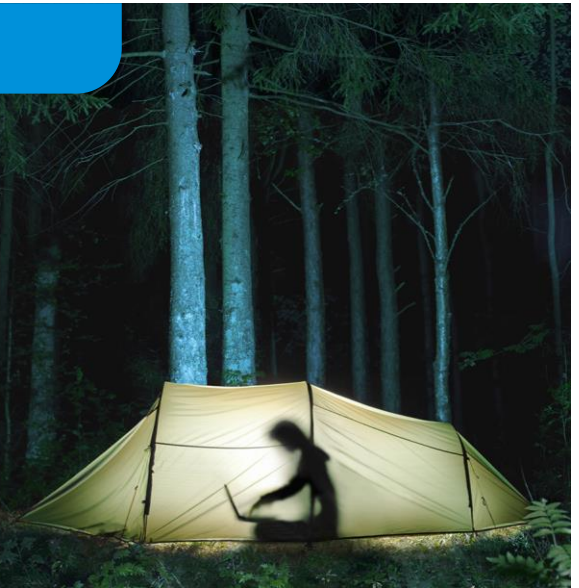
- We can assist you to conduct ongoing suppliers assessments as defined by dynamic supplier risk profile

How KPMG can help?

Introducing KPMG – Proprietary TPRM Tool

The KPMG Third-Party Risk Management tool has been developed to bring together the key components of an effective Third-Party Risk Management (TPRM) program while considering their sequencing and interconnectivity.

The tool is designed to bring clarity to the actions required to enhance a TPRM program by identifying possible risks and weaknesses as well as seeking to improve efficiencies.



Vendor Management

- Centralized Vendor Repository
- Add, Edit or Delete Vendors and Vendor Facilities
- Manage Vendors and Vendor Credentials
- Manage Vendor Point of Contacts
- Filter Vendors by Location

Assessment Workflow

- Vendor performs self-evaluation and submits assessment for review
- Functionality for Audit team to review self-evaluation for compliance
- Functionality for Audit team to fill audit comments, observation details, risk rating and recommendations

Assessment Management

- Enables client to tailor assessments specific to each vendor
- Track vendor assessments to closure
- Create Assessments based on industry & specific standards (like ISO 27001, BITS FISAP, HIPAA etc.)
- Add client defined compliance standard

Analysis

- Enables Client to analyze and compare vendors basis the results
- Perform Domain wise, Assessment wise, Facility wise analysis of vendor
- Functionality to present facts and numbers as graphs
- Perform Trend Analysis of Vendor

Assessment Execution

- Enables the Client to assess vendor based on the assessment set generated
- Vendor perform self-evaluation
- Vendor fills the details of testing (TOD and TOE)
- Provides functionality to specify population, sample size, & upload evidences for each control

Reporting

- Generate Exception based report
- Report domain wise exceptions
- Can be downloaded in Editable Microsoft Excel format

Why KPMG – Our Value Proposition

TPRM Tool

Major functionalities:

- Assessment planning
- Execution
- Reporting & Analysis

Regulatory Database

- 60+ regulations
- 10+ countries

Dynamic Third Party Risk Profiling

- Third party risk profiling to derive assessment approach

Diverse Skillset

- Over 50+ various certifications
- Over 800+ certified professionals

Global Delivery Capabilities

- KPMG's wide member firm network allows service delivery across globe



[kpmg.com/social media](https://kpmg.com/social-media)



kpmg.com/app

©2021 KPMG Advisory W.L.L., a Kuwait limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

Contacts

Majid Makki
Director, IT Advisory
KPMG in Kuwait
T: +965 2228 7480
M: +965 5664 2201
E: mmakki@kpmg.com

Robin Ramani
Manager, Cyber Security
KPMG in Kuwait
M: +965 5055 0383
E: Robinramani@kpmg.com