Why KPMG?

KPMG Digital Ledger Services focuses on helping clients derive the maximum benefit from blockchain technology. We have developed an effective methodology to determine, construct, and manage relevant use cases that integrate with other blockchains as well as existing legacy systems and operations within your organization. Our services incorporate strategic prioritization, use case development and production with the potential to address data governance and conventional audit services such as platform audit and tax services.

There are over 30 different KPMG country teams participating in the development and commercialization of blockchain initiatives in their respective local markets.

Strong partnerships
KPMG, Cegeka and Microsoft are collaborating in the Netherlands to provide a complete blockchain solution to their clients. Cegeka is a blockchain specialist IT provider that brings the required technical experience to the group to determine which technologies and configurations are best suited to the use case at hand. Microsoft provides their Azure cloud platform – optimized for multiple blockchain protocols – including features for compliance and automatic encryption. KPMG provides the business knowledge and expertise on blockchain-relevant sectors that result from 100 years of practical experience.

Contact us for more information

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Assessing blockchain risks

The Blockchain Assessment Solution
Assessing blockchain risks

Blockchain or Distributed Ledger Technology (DLT) is seen as a revolutionary new technology that has the potential to enable significant cost savings and efficiency gains. It empowers multiple parties in a value chain to efficiently work together based on a single source of truth. As a result, data can be easily shared between multiple parties, transferring value in a digital way and eliminating the need for costly reconciliations.

New risks
Due to the nature of blockchain, implementing distributed ledger technology also introduces new and specific risks that do not exist in more traditional centralized systems. This raises the question whether new blockchain implementations will be sufficiently in control when moving from proof-of-concept phase to production. KPMG has identified 10 specific blockchain risk areas as depicted in the graphic below.

Quick scan
KPMG has developed a blockchain assessment solution which helps to get a grip on the specific risks associated with blockchain implementations. This framework helps you to get an understanding of the IT risk maturity of the blockchain implementation in all ten risk areas. The assessment enables you to identify weak points and to spot opportunities for improvement. The overall report provides you with concrete pointers on how to raise your blockchain maturity level. Guided by the wide expertise of KPMG, you will be able to seize the full potential of your blockchain solution.

How does it work
The solution contains blockchain specific risks grouped in ten IT risk areas. For each risk area a set of controls have been defined to allow KPMG to assess the maturity on the specific risk. The controls are plotted on a maturity level scale, which can be seen as a pyramid, starting at level 1, working up to level 5. The framework helps you to get an understanding of the IT risk maturity of your blockchain system.

Level 1 - Initial
Processes unpredictable, poorly controlled and reactive

Level 2 - Managed
Processes characterized for projects and is often reactive

Level 3 - Defined
Processes characterized for the organization and is proactive

Level 4 - Quantitatively managed
Processes measured and controlled

Level 5 - Optimizing
Focus on process improvement

Governance, risk and compliance

1. Cryptography, key management and tokenization
2. Chain permissions management and privacy
3. Data management and segregation
4. Chain defense
5. Interoperability and integration
6. Scalability and performance
7. Business continuity and disaster recovery
8. Consensus mechanism and network management
9. Use case relevance and applicability
10. Governance, risk and compliance

CONCEPT TO PRODUCTION
Going from proof-of-concept to a production ready system requires a good understanding of the imposed IT risks. The blockchain assessment solution enables you to deal with weaknesses in your existing blockchain system before going live.

VALIDATED SOLUTION
The specific blockchain focus of this assessment is unique in the current market. It is based upon solid research, IT risk standards and years of experience and was validated with clients.

ACTION PLAN
The assessment provides you clear pointers for improvement and concrete recommendations how to raise to the next blockchain maturity level.

UNIQUE AND VALIDATED SOLUTION
This framework helps you to get an understanding of the IT risk maturity of a blockchain implementation based on ten specific risk areas.

CONCRETE ACTION PLAN
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The benefits
CLEAR INSIGHT INTO BLOCKCHAIN RISKS
This framework helps you to get an understanding of the IT risk maturity of a blockchain implementation based on ten specific risk areas.

FROM PROOF-OF-CONCEPT TO PRODUCTION
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