

8 ACTIONABLE WAYS TO INCREASE EFFICIENCY IN YOUR THIRD PARTY RISK MANAGEMENT

Ever wonder if you're taking the right steps to increase efficiency in your third party risk management? With the increase in regulatory demands, it's crucial to be as efficient as possible.

8 WAYS WE RECOMMEND

1

Implement the best third party risk management framework for your organization.

Is it centralized, decentralized or hybrid? We recommend centralized, or hybrid if your organization is quite large.

2

Don't cut corners.

Be thorough when assessing risk or reviewing due diligence. Cutting corners is the easy way out at the time but leads to unfortunate circumstances.

3

Invest in subject matter experts.

Either have experts on staff internally or outsource to a third party as needed. Either way, it's a good idea to have a qualified expert perform due diligence reviews for accuracy (e.g., a CISSP reviewing a SOC report or a CPA reviewing a financial report). They can provide excellent insight as questions arise, too.

4

Involve senior management and the board.

Not only is it a regulatory requirement – reference OCC Bulletin 2013-29 and Bulletin 2017-7 – but it's a sound business practice. Establish a clear line of communication with senior management and the board as they should have an opportunity to provide their input, and approval, specifically regarding critical activities related your organization's vendor management program or operations.

8

Regularly audit your program.

Periodically test the work product and verify what is being produced matches the policy and program framework. If it doesn't, now is the time to make a change – prior to an exam. Also, with the audit, encourage feedback from your team as to what may need to be improved.

7

Communicate effectively with your third parties.

Establish a good working relationship with your third parties and define responsibilities – both for your organization and the vendor.

6

Perform regular reporting.

Provide easy-to-follow yet comprehensive reports to your senior management team and the board (e.g., reports regarding upcoming due diligence, risk ratings, new vendors). Be sure to also provide them with updated reports as risk issues arise.

5

Have a well-developed policy and program.

Ensure the entire vendor management program is described in detail within policy and program documentation and that senior management, the board, stakeholders and examiners are able to follow them. Also, as regulations change, update the documentation accordingly.

Implementing these 8 actions will help create an efficient third party risk management program at your organization which will then improve operations and the bottom line.

Download free due diligence samples and see how Venminder can help you reduce your third party risk management workload.

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