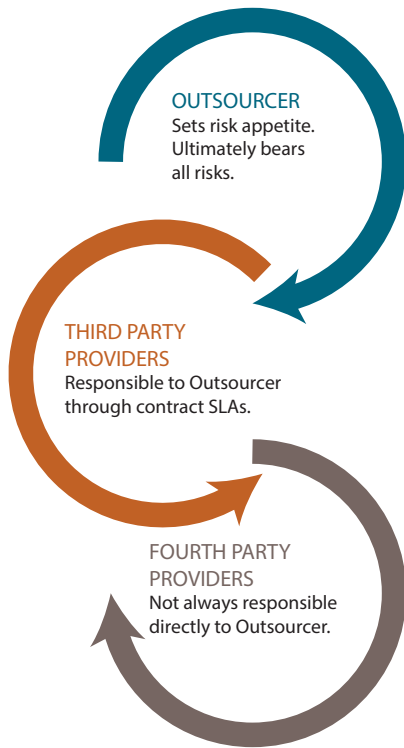


EMERGING BEST PRACTICES

Around Fourth Party Risk



Fourth party outsourcing risks to consider.

OUTSOURCING RISKS

- Financial
- Strategic
- Reputation
- Geolocation
- Credit
- Quality

POSSIBLE IMPLICATIONS

- Difficulties or failures
- Misalignment with objectives
- Brand/organizational impacts
- Consent orders, fines and penalties
- Sanctions due to country
- Inability to make payments
- Inability to deliver in line with SOW specs

SERVICE-LEVEL RISKS

- Cyber
- Compliance
- Legal
- Intellectual Property
- Privacy
- Contractual
- Operational
- Resiliency

CAN RESULT IN

- Impacts to confidentiality, integrity or availability of information/services
- Non-alignment with standards/frameworks
- Failure to meet contract obligations
- Failures that impact operations
- Inability to provide services

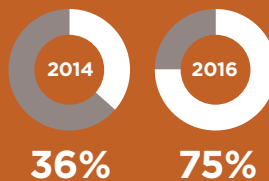
A FOURTH PARTY is your vendor's third party or subcontractor and is vulnerable to the same risk as your third parties.

INCREASINGLY, ORGANIZATIONS ARE ADOPTING FOURTH PARTY BEST PRACTICES

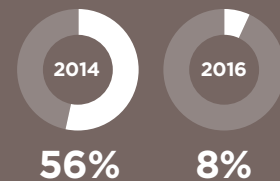
STARTING A FOURTH PARTY RISK DISCIPLINE

1. **CATALOG** what third parties outsource
2. **CLARIFY** nature and value
3. **EDUCATE** your third party
4. **OBLIGATE** your third party to monitoring the fourth party
5. **DETERMINE** reporting and accessibility

Organization relies on controls of their third party to monitor their fourth parties



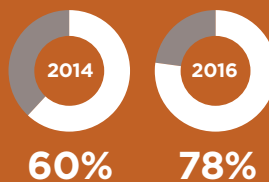
Organization relies exclusively on Relationship Manager to assess their fourth party



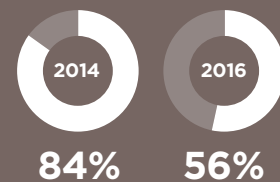
BEST PRACTICES

- ✓ Planning that Involves All Stakeholders
- ✓ Periodic Third Party Reporting
- ✓ Training and Communications
- ✓ Smart Database Use
- ✓ Understanding Dependencies
- ✓ Use Fourth Party Specialist
- ✓ Stay Aware of Regulatory Climate

Organization identifies fourth parties during contracting phase



Organization relies on third party to have and enforce contracts with fourth parties



For more details around fourth party risk management, visit www.sharedassessments.org/fourthparty

The Shared Assessments Program is the trusted source in third party risk. With over a decade of experience, and drawing on the shared knowledge and experience of our membership, Shared Assessments provides resources and tools to effectively manage the vendor risk management lifecycle. If you have a vendor management program and are interested in becoming a member, please email info@sharedassessments.org



SHARED ASSESSMENTS
The Trusted Source in Third Party Risk Management