HELPING YOU
MITIGATE
VENDOR RISKS

What happens if one of your vendors experiences a data breach? Experiencing an internal cyberattack is not the only thing that companies should be planning for—a majority of data breaches come through third-party vendors.

Does your company have a vendor management strategy in place? How is your organization evaluating and monitoring third parties and mitigating the associated risks?

THIRD-PARTY DATA BREACHES ARE ON THE RISE

While outsourcing business operations to a third-party provider can increase efficiencies and help you meet your goals, it's important to understand the data privacy and security risks associated with the use of third-party vendors.

No matter what is being outsourced or to whom, if a vendor experiences a data breach, it's the organization outsourcing to the vendor who can have compromised data and suffer reputational and financial burden.

61%

of U.S. companies said they have experienced a
DATA BREACH
caused by one of their vendors or third parties.

2018 Third-Party Data Risk Study from Opus and Ponemon Institute

Although an organization can outsource functions to third parties, it cannot outsource

RESPONSIBILITY.

Companies who outsource anything to a third-party should clearly understand the functions provided by the third party and the risks associated with those functions. Companies can then understand what those risks mean for their operations and customer relationships and create and implement a vendor management strategy to mitigate risk.

ONGOING VENDOR MANAGEMENT POLICY AND REVIEW PROCESS

It's important to manage your vendor relations on an ongoing basis because of how quickly a vendor's policies and procedures can change. Warren Averett can assist with developing formal vendor management policies or in performing vendor reviews to help you stay on top of those changes and communicate expectations with your vendors on data security. Here's what our vendor management services and review process can look like:

- Assistance or advisement in developing a formal vendor management policy and practices

- Development and continual evaluation of a list of your current vendors and the services they provide

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- Assessment of vendors during the onboarding process to make sure expectations are being met

- Evaluation of vendor contracts to ensure the appropriate areas are addressed or recommend further review be performed by a legal representative

- Assistance with performing a risk ranking report to identify critical/high, medium and low risk vendors and develop an action plan to address each ranking

- Assistance with performing routine due diligence procedures which can include a documented review of the vendor's financials, System and Organizational Control (SOC) reports, vendor questionnaires or other independent internal control reports

- Recommendation of internal controls to implement over vendor access to systems or data

Staying on top of the risks that accompany third-party vendors and how they impact your organization is the best way to mitigate risk. If you aren't sure where to start, Warren Averett's Security, Risk and Controls team can help.

"When our examiners said that we needed a vendor management review, we knew who to turn to. Warren Averett has provided very thorough audits in other realms, and we knew we could trust them with our vendor management review also. They were quick, thorough, efficient and professional. Our examiners were satisfied and that always makes us happy. I highly recommend Warren Averett for anyone needing compliance and assessment services."

– Compliance Officer, River Bank & Trust

OUR TURF IS EVER EXPANDING TO HELP YOU THRIVE IN YOURS

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OUR COMPLIANCE AND ASSESSMENT SERVICES

- System and Organization Controls (SOC) Examinations & Attestation Service
  › SOC readiness assessments
  › SOC 1® services (Type 1 & 2)
  › SOC 2® (Type 1 & 2) five Trust Services Categories
  › SOC 3®
  › SOC for Cybersecurity

- IT Control Review/Exams/Assessments
  › Information technology structure and strategy controls
  › Logical and physical access controls
  › Program change management controls
  › Database management controls
  › Vendor management controls
  › End-user computing controls
  › IT operations management
  › Security penetration testing and vulnerability assessments
  › Security awareness training
  › Risk Assessments

- Internal Controls
  › Internal control assessments
  › Internal Auditing
  › Sarbanes-Oxley Compliance
  › Business Process Reviews
  › Enterprise Risk Assessment

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For more information, call 800.759.7857 or visit www.warrenaverett.com.