VENDOR MANAGEMENT
POLICY CHECKLIST

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Writing a good vendor management policy can be a lot of work. We've created a simple, practical checklist you can use to assess your existing policy or use as a guide for creating a new one from scratch.

1. **Purpose** - Have you described the high-level purpose of your vendor management program?

2. **Policy Statement** - Are the overarching objectives for your program defined, including a statement about your risk appetite?

3. **Policy Definitions** - Are key vendor management terms defined to ensure clarity and consistent use?

4. **Governance Structure** - Is the basic governance structure for the program outlined, including the role of the board, committees and enterprise risk management?

5. **Roles and Responsibilities** - Are roles and responsibilities established for relationship managers, senior management, subject matter experts and internal audit?

6. **In-Scope Vendors** - Have you identified which types of third parties are covered under the vendor management program, and which are out-of-scope? Have you also identified which alternative policies cover your out-of-scope third parties?

7. **Categories of Risk** - Does the policy define the types of third-party risks that are to be managed such as reputational, financial, operational, information security and compliance?

8. **Risk Classifications** - Have you established standard risk tiers (i.e. high, medium, low), and created definitions for each?

9. **Vendor Management Components** - Are the key activities/controls that will be governed through the policy been defined such as assessing risk, performing due diligence, negotiating contracts, onboarding, monitoring, termination and offboarding?

10. **Record Retention** - Have record retention and documentation requirements been defined.

11. **Exceptions and Deviations** - Does the policy address how exceptions and deviations will be handled?

12. **Policy Updates** - Are periodic reviews and updates required for the policy to ensure it remains current and compliant?

If you need a hand with updating your policy, or creating a new one, our team can help.

VendorCentric©

Vendor Centric is Your One Source for Vendor and Third-Party Management

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