Professional Certificate in Third-Party Risk Management

Vendor Selection And Due Diligence

Acceptance Criteria refers to the set of conditions that must be met for a third-party vendor to be considered acceptable for selection. Related terms include Contract Terms, Service Level Agreements, and Vendor Evaluation. In the context of Vendor Selection And Due Diligence, acceptance criteria are used to assess the suitability of a vendor to provide goods or services to an organization. For example, acceptance criteria may include requirements for data security, compliance with regulatory requirements, and adherence to industry standards.

Access Control refers to the process of granting or denying access to a computer system, network, or physical location. Related terms include Authentication, Authorization, and Identity Management. In the context of Vendor Selection And Due Diligence, access control is an important consideration to ensure that vendors do not pose a risk to an organization's sensitive data or systems. For instance, an organization may require a vendor to implement multi-factor authentication to access its systems.

Audit Committee refers to a group of individuals responsible for overseeing the audit process and ensuring that an organization's financial statements are accurate and compliant with regulatory requirements. Related terms include Audit Report, Financial Statement, and Internal Control. In the context of Vendor Selection And Due Diligence, an audit committee may be involved in reviewing the audit reports of potential vendors to assess their financial stability and compliance with regulatory requirements.

Benchmarking refers to the process of comparing an organization's performance or processes to those of other organizations in the same industry. Related terms include Best Practices, Industry Standards, and Performance Metrics. In the context of Vendor Selection And Due Diligence, benchmarking is used to evaluate the performance of potential vendors and assess their suitability to provide goods or services to an organization. For example, an organization may benchmark a vendor's data security practices against industry standards to determine its level of risk.

Business Continuity Plan refers to a document that outlines the procedures to be followed in the event of a disaster or major disruption to an organization's operations. Related terms include Disaster Recovery Plan, Emergency Response Plan, and Risk Management. In the context of Vendor Selection And Due Diligence, a business continuity plan is an important consideration to ensure that a vendor can continue to provide goods or services in the event of a disruption. For instance, an organization may require a vendor to have a comprehensive business continuity plan in place to mitigate the risk of disruption.

Certification refers to the process of verifying that a vendor has met certain standards or requirements. Related terms include Accreditation, Compliance, and Standards. In the context of Vendor Selection And

Due Diligence, certification is used to assess the credibility and reliability of a vendor. For example, an organization may require a vendor to be certified to a particular industry standard, such as ISO 27001 for information security.

Compliance refers to the state of adhering to regulatory requirements, industry standards, or organizational policies. Related terms include Governance, Risk Management, and Regulatory Requirements. In the context of Vendor Selection And Due Diligence, compliance is an important consideration to ensure that a vendor does not pose a risk to an organization's regulatory compliance. For instance, an organization may require a vendor to comply with data protection regulations, such as the General Data Protection Regulation (GDPR).

Contract Management refers to the process of managing contracts with vendors, including negotiating contract terms, monitoring contract performance, and enforcing contract compliance. Related terms include Contract Administration, Contract Negotiation, and Vendor Management. In the context of Vendor Selection And Due Diligence, contract management is an important consideration to ensure that a vendor meets its contractual obligations. For example, an organization may require a vendor to report on its contract performance on a regular basis.

Contract Terms refer to the conditions and obligations outlined in a contract between an organization and a vendor. Related terms include Contract Management, Service Level Agreements, and Vendor Evaluation. In the context of Vendor Selection And Due Diligence, contract terms are used to define the expectations and responsibilities of both parties. For instance, an organization may include penalty clauses in a contract to enforce vendor compliance with contractual obligations.

Corporate Social Responsibility refers to a company's commitment to operating in a responsible and sustainable manner, including considering the social, environmental, and economic impacts of its operations. Related terms include Ethics, Sustainability, and Social Responsibility. In the context of Vendor Selection And Due Diligence, corporate social responsibility is an important consideration to ensure that a vendor aligns with an organization's values and principles. For example, an organization may require a vendor to have a strong commitment to environmental sustainability.

Data Security refers to the process of protecting an organization's data from unauthorized access, use, disclosure, modification, or destruction. Related terms include Access Control, Authentication, and Encryption. In the context of Vendor Selection And Due Diligence, data security is a critical consideration to ensure that a vendor does not pose a risk to an organization's sensitive data. For instance, an organization may require a vendor to implement encryption to protect data in transit and at rest.

Disaster Recovery Plan refers to a document that outlines the procedures to be followed in the event of a disaster or major disruption to an organization's operations. Related terms include Business Continuity Plan, Emergency Response Plan, and Risk Management. In the context of Vendor Selection And Due Diligence, a disaster recovery plan is an important consideration to ensure that a vendor can recover from a disaster or major disruption. For example, an organization may require a vendor to have a comprehensive disaster

recovery plan in place to mitigate the risk of disruption.

Due Diligence refers to the process of conducting a thorough investigation and analysis of a vendor's operations, finances, and reputation. Related terms include Risk Assessment, Vendor Evaluation, and Third-Party Risk Management. In the context of Vendor Selection And Due Diligence, due diligence is used to assess the suitability of a vendor to provide goods or services to an organization. For instance, an organization may conduct on-site visits to assess a vendor's operations and facilities.

Ethics refers to the principles and values that guide an organization's behavior and decision-making. Related terms include Corporate Social Responsibility, Governance, and Social Responsibility. In the context of Vendor Selection And Due Diligence, ethics is an important consideration to ensure that a vendor aligns with an organization's values and principles. For example, an organization may require a vendor to have a strong commitment to ethical business practices.

Governance refers to the system of rules, practices, and processes by which an organization is directed and controlled. Related terms include Compliance, Risk Management, and Regulatory Requirements. In the context of Vendor Selection And Due Diligence, governance is an important consideration to ensure that a vendor is well-governed and managed. For instance, an organization may assess a vendor's board composition and executive leadership to evaluate its governance structure.

Information Security refers to the process of protecting an organization's information assets from unauthorized access, use, disclosure, modification, or destruction. In the context of Vendor Selection And Due Diligence, information security is a critical consideration to ensure that a vendor does not pose a risk to an organization's sensitive information. For example, an organization may require a vendor to implement multi-factor authentication to access its systems.

Internal Control refers to the processes and procedures used by an organization to manage and mitigate risks. Related terms include Audit Committee, Financial Statement, and Risk Management. In the context of Vendor Selection And Due Diligence, internal control is an important consideration to ensure that a vendor has effective internal controls in place to manage and mitigate risks. For instance, an organization may assess a vendor's internal audit function to evaluate its internal control environment.

ISO 27001 refers to an international standard for information security management systems. Related terms include Certification, Compliance, and Information Security. In the context of Vendor Selection And Due Diligence, ISO 27001 is an important consideration to ensure that a vendor has a robust information security management system in place. For example, an organization may require a vendor to be certified to ISO 27001 to demonstrate its commitment to information security.

Key Performance Indicators refer to the metrics used to measure a vendor's performance and evaluate its contract compliance. In the context of Vendor Selection And Due Diligence, key performance indicators are used to assess a vendor's ability to meet its contractual obligations. For instance, an organization may use

metrics such as uptime, response time, and resolution rate to evaluate a vendor's performance.

Operational Risk refers to the risk of loss resulting from inadequate or failed internal processes, systems, and people, or from external events. Related terms include Risk Management, Internal Control, and Business Continuity Plan. In the context of Vendor Selection And Due Diligence, operational risk is an important consideration to ensure that a vendor does not pose a risk to an organization's operations. For example, an organization may assess a vendor's business continuity plan to evaluate its ability to mitigate operational risks.

Outsourcing refers to the process of contracting with a vendor to provide goods or services that were previously provided internally. Related terms include Third-Party Risk Management, Vendor Management, and Contract Management. In the context of Vendor Selection And Due Diligence, outsourcing is an important consideration to ensure that a vendor is suitable to provide goods or services to an organization. For instance, an organization may conduct due diligence on a vendor to assess its ability to provide goods or services.

Penetration Testing refers to the process of simulating a cyber attack on an organization's computer systems or networks to test their defenses. Related terms include Vulnerability Assessment, Information Security, and Cyber Security. In the context of Vendor Selection And Due Diligence, penetration testing is an important consideration to ensure that a vendor's systems and networks are secure. For example, an organization may require a vendor to conduct regular penetration testing to identify vulnerabilities and weaknesses.

Procurement refers to the process of acquiring goods or services from external sources. Related terms include Contract Management, Vendor Management, and Supply Chain Management. In the context of Vendor Selection And Due Diligence, procurement is an important consideration to ensure that a vendor is selected and managed effectively. For instance, an organization may establish a procurement policy to guide the selection and management of vendors.

Quality Assurance refers to the process of ensuring that goods or services meet the required standards of quality. Related terms include Quality Control, Testing, and Inspection. In the context of Vendor Selection And Due Diligence, quality assurance is an important consideration to ensure that a vendor provides goods or services that meet the required standards of quality. For example, an organization may require a vendor to implement a quality management system to ensure that its goods or services meet the required standards.

Regulatory Requirements refer to the laws and regulations that govern an organization's operations and activities. Related terms include Compliance, Governance, and Risk Management. In the context of Vendor Selection And Due Diligence, regulatory requirements are an important consideration to ensure that a vendor complies with all relevant laws and regulations.

Request for Proposal refers to a document that outlines the requirements and specifications for a particular goods or service. Related terms include Procurement, Contract Management, and Vendor Evaluation. In the context of Vendor Selection And Due Diligence, a request for proposal is used to solicit bids from potential vendors and evaluate their suitability to provide goods or services. For example, an organization may issue a request for proposal to solicit bids from potential vendors to provide information technology services.

Risk Assessment refers to the process of identifying, assessing, and prioritizing risks to an organization's operations, assets, and reputation. Related terms include Due Diligence, Vendor Evaluation, and Third-Party Risk Management. In the context of Vendor Selection And Due Diligence, risk assessment is used to evaluate the risks associated with a vendor and determine its suitability to provide goods or services. For instance, an organization may conduct a risk assessment to evaluate a vendor's financial stability, operational capabilities, and reputational risks.

Risk Management refers to the process of identifying, assessing, and mitigating risks to an organization's operations, assets, and reputation. Related terms include Internal Control, Governance, and Compliance. In the context of Vendor Selection And Due Diligence, risk management is an important consideration to ensure that a vendor does not pose a risk to an organization's operations, assets, or reputation. For example, an organization may require a vendor to implement risk management practices to mitigate risks associated with its operations.

Service Level Agreement refers to a document that outlines the expected service levels and performance metrics for a particular goods or service. Related terms include Contract Management, Vendor Evaluation, and Key Performance Indicators. In the context of Vendor Selection And Due Diligence, a service level agreement is used to define the expectations and responsibilities of both parties. For instance, an organization may include service level agreements in a contract to define the expected service levels and performance metrics.

Supply Chain Management refers to the process of managing the flow of goods, services, and information from raw materials to end customers. Related terms include Procurement, Logistics, and Vendor Management. In the context of Vendor Selection And Due Diligence, supply chain management is an important consideration to ensure that a vendor's supply chain is secure and resilient. For example, an organization may assess a vendor's supply chain risk management practices to evaluate its ability to mitigate supply chain risks.

Sustainability refers to the ability of an organization to operate in a responsible and sustainable manner, including considering the social, environmental, and economic impacts of its operations. Related terms include Corporate Social Responsibility, Ethics, and Social Responsibility. In the context of Vendor Selection And Due Diligence, sustainability is an important consideration to ensure that a vendor aligns with an organization's values and principles. For instance, an organization may require a vendor to have a strong commitment to environmental sustainability.

Third-Party Risk Management refers to the process of identifying, assessing, and mitigating risks associated with third-party vendors, including contractors, suppliers, and service providers. Related terms include Due Diligence, Vendor Evaluation, and Risk Assessment. In the context of Vendor Selection And Due Diligence, third-party risk management is an important consideration to ensure that a vendor does not pose a risk to an organization's operations, assets, or reputation. For example, an organization may conduct regular risk assessments to evaluate the risks associated with its third-party vendors.

Vendor Evaluation refers to the process of assessing a vendor's suitability to provide goods or services to an organization. Related terms include Due Diligence, Risk Assessment, and Contract Management. In the context of Vendor Selection And Due Diligence, vendor evaluation is used to assess a vendor's financial stability, operational capabilities, and reputational risks.

Vendor Management refers to the process of managing and overseeing the performance of vendors, including contract management, performance monitoring, and issue resolution. Related terms include Contract Management, Procurement, and Supply Chain Management. In the context of Vendor Selection And Due Diligence, vendor management is an important consideration to ensure that a vendor is managed and overseen effectively. For example, an organization may establish a vendor management program to guide the selection, management, and oversight of vendors.

Vendor Selection refers to the process of selecting a vendor to provide goods or services to an organization. Related terms include Due Diligence, Vendor Evaluation, and Contract Management. In the context of Vendor Selection And Due Diligence, vendor selection is used to identify and select a suitable vendor to provide goods or services. For instance, an organization may conduct a request for proposal to solicit bids from potential vendors and evaluate their suitability to provide goods or services.

Vulnerability Assessment refers to the process of identifying and assessing vulnerabilities in an organization's computer systems or networks. Related terms include Penetration Testing, Information Security, and Cyber Security. In the context of Vendor Selection And Due Diligence, vulnerability assessment is an important consideration to ensure that a vendor's systems and networks are secure. For example, an organization may require a vendor to conduct regular vulnerability assessments to identify and mitigate vulnerabilities.