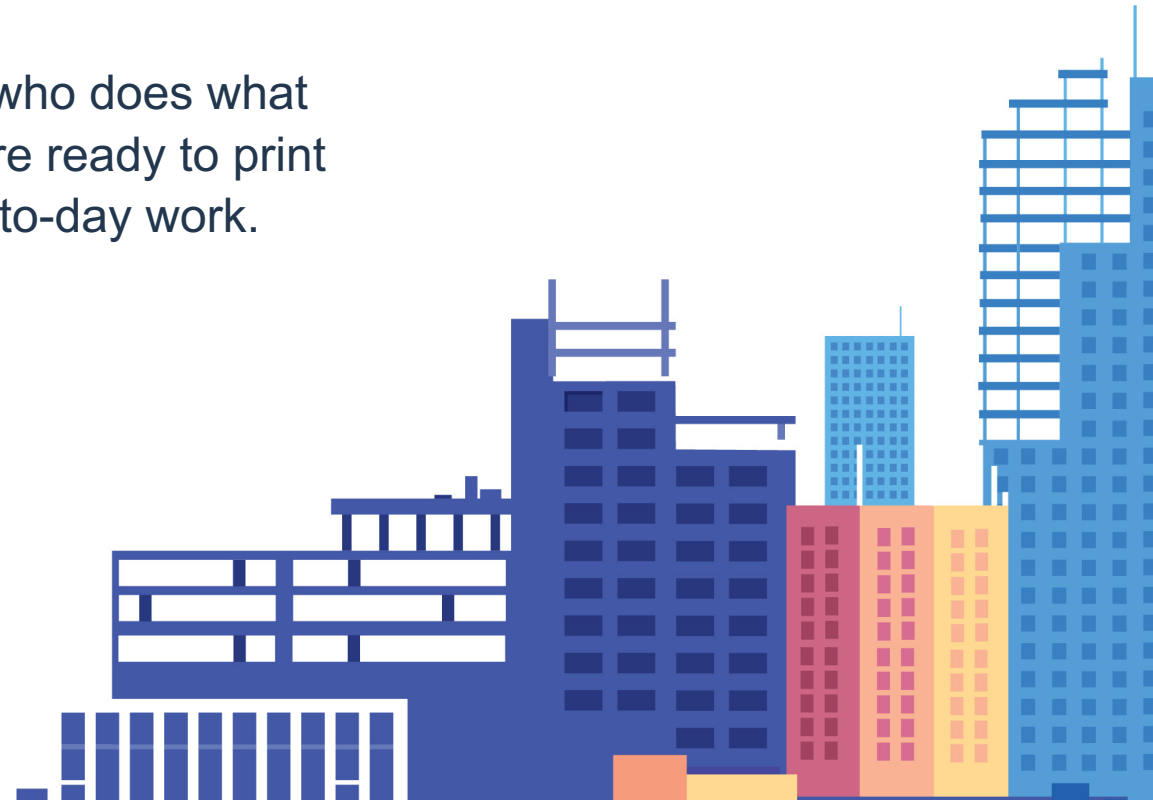


Who Is Responsible for Third-Party Risk Management?



Third-party risk management in practice can be a complex ecosystem of processes, tasks, timing and risk mitigation. Effective third-party risk management ensures that various responsibilities and requirements are distributed across a range of accountable stakeholders, each with a specific job to do.

Charts can help more easily sort it all out to show who does what at a high level. We've created some options that are ready to print or save to refer to as needed throughout your day-to-day work.



Regulators
Board of Directors
Senior Leadership
Risk Committees

Oversight and Governance

Lines of Business Management
Vendor Owner

First Line

Sourcing or Procurement
Third-Party Risk Management
Subject Matter Experts
Info Sec
Finance
Compliance
Business Continuity

Second Line

Internal Audit

Third Line

Oversight and Governance

- Regulators
- Board of Directors
- Senior Leadership
- Risk Committees

First Line

- Lines of Business
- Vendor Owner
- Vendor

Second Line

- Sourcing or Procurement
- Third-Party Risk Management
- Subject Matter Experts

Third Line

- Internal Audit

Board of Directors

Responsibilities:

- Approves vendor management policies
- Sets the “tone-from-the-top”
- Remains involved in critical and high-risk vendor activities

Senior Leadership/The Executive Team

Responsibilities:

- Develops the process, procedures and projects
- Reviews the policy
- Assigns TPRM responsibilities
- Reviews SLA reporting to make informed decisions

Lines of Defense

First line of defense

Lines of Business (Departments)

Vendor Owner/Product Owner

Responsibilities:

- Manages the vendor relationship day-to-day
- Completes risk assessments
- Monitors and reports on vendor performance

Vendors

Responsibilities:

- Provides the product or service to your organization

Second line of defense

Dedicated Third-Party Risk Management Team/Third-Party Risk Manager/Third-Party Risk Management/Enterprise Risk/Compliance Department

Responsibilities:

- Oversees vendor risk
- Escalates issues
- Identifies emerging risks and reports to senior leadership and the board

SMEs

Responsibilities:

- Provide formal assessments of the sufficiency of the vendor’s controls and the severity of gaps or issues

Third line of defense

Internal Audit/Oversight and Accountability

Responsibilities:

- Identifies program gaps or issues
- Shares best practices or advice on improvements

