

A Checklist for Third-Party Cyber Risk Management in the Financial Services Industry

The financial services industry is a leading target for cyber criminals because there's more than one way one way to profit from an attack and third parties are one of the top attack vectors. CyberGRX brings visibility, scalability, and accuracy to third-party cyber risk management (TPCRM) programs and the following is what our solution engineers would advise if creating an effective TPCRM program from scratch.

1. Vendor Classification

The vendor class will tell you a lot about how to manage your relationship, not only how much scrutiny to apply during the pre-contract due-diligence phase but also throughout the duration of the vendor relationship.

Vendor Risk Tiering

Classify the exposure created by your vendors by assessing the likelihood and impact of a cyber event.

2. Begin the Assessment

After classifying vendors, you will know what the scope of the assessment should be.

Determine Assessment Scope & Necessary Questions

Each vendor tier will have a corresponding assessment scope – high risk vendors should be assessed via a questionnaire and a corresponding on-site evaluation, while lower risk vendors can be assessed with a lower level of rigor such as a questionnaire and desktop document validation.

Self-Assessment

Regardless of tier classification, each vendor should complete a self-assessment questionnaire. The questionnaire should only include relevant questions that show what level of risk a vendor will expose you to. Include well documented expectations and guidelines, as well as a deadline.

Validate Vendor Assertions

Examine evidence provided by your vendor that prove their controls are operating effectively, such as policies, procedures, audit results, etc.

Ongoing Monitoring

Continually update your data as changes in relationships with your vendors occur.

3. Issue-Based Scoring

A well-designed questionnaire should have a corresponding analysis component. Scoring a questionnaire can be difficult, but it's important to know issue status as it evolves – which is why we suggest issue-based scoring.

Create a Matrix

Relate your questions to negative answers to issue severity and mitigation strategies.

Track issues

Know the status of each issue at all times – this way, no exposure will go unaddressed.

Address Findings

Hold your vendors accountable for helping you close the issues that must be addressed. Ensure your program policies clearly lay out how the severity of the problem will affect its handling and that the process be repeatable. This will ensure consistency in your approach.

Building a strong TPCRM program is essential to the security of your organization and the sensitive data you collect. Each component will require constant fine tuning, especially while your program evolves in maturity and sophistication.

CyberGRX is on a mission to modernize third-party cyber risk management for the financial services industry. Built on the market's first third-party cyber risk exchange, our dynamic and scalable approach is innovating TPCRM for enterprises and third parties. Armed with fast and accurate data and a proven and innovative approach, CyberGRX customers make rapid, informed decisions and confidently engage with partners.

If you're looking for an innovative, dynamic approach, [schedule a demo](#) or read our [Vendor Risk Management Guide](#) to learn more.