

Tool: Third-Party-Risk Taxonomy

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Enterprise Risk Management Research Team

Initiatives: [Risk Response Strategies](#); [Compliance Program Management](#); [Risk and Control Resources for Internal Auditors](#)

Use this tool to outline the various risks your third parties may face. Doing so will help ERM heads assess and participate in conversations about manifestations of third-party risk that can impact the organization in order to formulate next steps to manage risks.

More on This Topic

This is part of an in-depth collection of research. See the collection:

- [Risk and Control Resources for Third-Party Risk Management](#)

When to Use

The third-party-risk taxonomy tool outlines 95 individual risks that an organization's third parties may face, and which can have a cascading impact on the organization doing business with them. This tool enables enterprises to catalog third-party risks, record possible impacts and assign risk owners, and monitor and mitigate risks that arise from third-party relationships.

Directions for Use

The Excel-based tool contains three sections:

- **Risk Categorization:** This tab outlines the overarching risk categories and the risk types included in each. Use the links in this tab to navigate the tool.

- **Risk Categories:** The five tabs after the Risk Categorization tab contain risk information for each business area. Within each tab, you'll find:
 - The risks are organized into two levels — namely, risk category and risk type.
 - The column titled Risk Definition outlines the risk and its impact on the third party.
 - You may select the risks applicable to your third party and create a third-party risk universe.
 - Add additional third-party risks under each category that are specific to your industry or geography.
- **Third-Party-Risk Universe:** This tab provides a complete view of your organization's third-party-risk exposure.
 - Risks selected under the individual risk category tabs are autopopulated in this tab.
 - Use this sheet to discuss and document the degree and type of impact a third-party risk will have on the organization.

Recommended by the Authors

[Enterprise Third-Party Risk Management](#)

[Case Study: Enable Cross-Functional Alignment to Prioritize Third-Party Risks](#)

[Case Study: Rate Third-Parties at the Enterprise Level for Risk-Based Prioritization](#)

[Common Gaps in Third-Party Risk Management](#)

[Find Third-Party Risk Indicators That Matter — Here's How](#)

[Risk in Financial Services: The Changing Role of ERM in Third-Party Risk Management](#)

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Spreadsheets published by Gartner may leverage features such as pivot tables and macros that are supported in a Microsoft Windows environment and with Microsoft Excel 2007 or higher.

See Gartner Internet Browser [System Requirements](#) for more information.

Document Revision History

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