**Supplier Due Diligence**

**Assessment Procedure**

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# Introduction

The selection of appropriate, secure and effective suppliers is key to the business strategy of XXXX. Suppliers are used not only to help with the running of an effective company but in many cases to deliver services directly to the customer, such as in the case of web hosting. Other suppliers play a major part in whether XXXX is successful in reaching its objectives, for example in attracting sufficient visitors to its website.

But suppliers must not only deliver good products and services but also do so in a secure way that doesn’t put XXXX and its customers’ data at risk. The time to evaluate whether a supplier can meet these requirements is before a contract is agreed and a service is put in place. This procedure is intended to ensure that sufficient actions are taken, and research completed to reach a reasonable judgement about whether a potential supplier is desirable.

The following related documents are relevant to this procedure:

* *XXXX-POL-ALL-021 - Vendor Management & Due Diligence Policy*
* *XXXX-STD-ALL-022 - Vendor Due Diligence Standard*
* *Data Protection Policy*
* *XXXX-PRC-ALL-028 - Project Information Security Requirements*

# Supplier Due Diligence Assessment Procedure

## Prerequisites

Before starting the procedure, the following prerequisites must be in place:

* Requirements for a product or service have been defined
* A budget for the product or service is established

## Timing and Scheduling

This procedure can be initiated at any time, but must be completed before the decision to purchase, and any commitment, is made.

## Procedure

A supplier due diligence assessment should be recorded and retained as evidence of the assessment.

The following steps are required:

1. Record the details of the assessment, including date/time, assessor name, company under assessment, product or service name and requirements and classification of data that may be shared with the supplier.
2. Establish to what extent the offering meets the requirements for the product or service. If sufficient requirements are not met, the supplier should not be used and this procedure terminates.
3. Research the details of the company providing the product or service, including registered name, country of registration, approximate size and when they were formed
4. Document the commercial details of the offering under consideration, including price and pricing structure, terms of sale and contract terms including length, applicable law, renewal and termination.
5. Perform an Internet search for the company and the product/service to see if any relevant information is available about their performance and history
6. Find out what information is available about the information security controls used by the supplier, including information security policy, certifications (e.g. ISO/IEC 27001, Cyber-Essentials), encryption etc.
7. When all relevant information has been obtained and recorded, reach a decision about whether the supplier should be contracted with for the specific requirements under consideration.

## Error Handling

The following common errors may occur during this procedure:

|  |  |  |  |
| --- | --- | --- | --- |
| **Stage of Procedure** | **Error** | **Possible Cause** | **Recommended Action** |
|  |  |  |  |

*Table 1 - Error handling*

## Support and Escalation

If an error occurs which cannot be corrected using this procedure, support should be obtained using the following information:

|  |  |  |  |
| --- | --- | --- | --- |
| **Support Person** | **Role** | **Email** | **Hours of availability** |
|  |  |  |  |

*Table 2 - Support contact information*

## Auditing and Logging

Due diligence assessments and their outcomes are logged on the *Supplier Due Diligence Assessment* form and stored in the management system folder structure.

## Monitoring

Progress of assessments should be monitored at least weekly whilst ongoing, although many will be completed within a shorter timeframe.