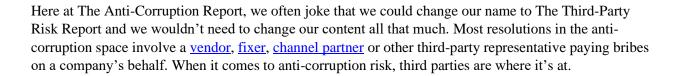
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Keeping an Eye on Third Parties



Last week, we published an informative <u>interview</u> I did with Therese Lee, senior counsel at Google, about how the tech giant handles due diligence on its third parties. Google uses a combination of an in-house due diligence team, a Big Four accounting firm and a specific due-diligence vendor to manage the process. The company risk-ranks its third parties based on answers to a <u>questionnaire</u> and a risk matrix of its own design and then performs a due diligence deep dive "with all the bells and whistles" on those third parties with the highest level of risk.

But due diligence isn't the only way to manage third-party risk: continuous monitoring and auditing are also keys to making sure that the third parties acting on a company's behalf are doing so ethically and legally. For many companies, these ongoing tasks are resource-intensive and daunting. If that is the case for your clients or your company, a great place to start is our three-part series explaining how to go about enforcing third-party audit rights. This interview with Rick Sibery of EY outlines a seven-step process for monitoring third parties that may be useful, as well. And if you have come up with creative solutions for managing the ongoing tasks required to keep an eye on third-parties, we would love to hear about them.

Warmly,

Megan Zwiebel

Senior Editor