The importance of third party technology due diligence

Businesses continue to explore and expand their use of third-parties to deliver cost efficiency dividends, scale, access to capabilities and capacity to free up existing resources to focus on more strategic value adding initiatives.

While the use of third parties can bring key cost and scalability benefits, there are also risks to the confidentiality, integrity and availability of data handled by external parties as well as resilience risk and continuity of service that need to be considered.

The importance of technology risk arising from the use of third parties is critical in today's data driven digital organisation.

Key challenges

Below are some key statistics from our recent global surveys which demonstrates the criticality of having an effective third party security risk management program

11%

Of Australian Boards have a clear understanding of where their company's key information or data assets are shared with third parties
ASX Cyber Health Check Report – April 2017

48%

Of IT services are delivered by the cloud
PwC, CIO, and CSO, The Global State of Information Security Survey 2017, October 5, 20161

$4m

The average cost of data breaches
PwC, CIO, and CSO, The Global State of Information Security Survey 2017, October 5, 2016

Areas in focus – knowing your risks considerations

1. Do you have a formalised **risk based assessment approach** for assessing technology risks up front prior to executing the contract including all categories of technology risk and not just security?

2. Completeness of third party lists
Do you have visibility of your Third party providers and their risk profile?

3. Do you have a **standard set of technology clauses** that are included in each third party contract?

4. Do you have assessment **frameworks and tools in place**? E.g., Stratification engine, controls frameworks, etc.

5. Does your ongoing monitoring approach cover a **mix of design and operational effectiveness testing**?

6. Information asset classification
Are all your information assets identified & classified consistently, including those managed by third party third parties?

7. Are you providing **reporting and perspective on risk** back to the organisation to drive ongoing change

How we can help?

For a number of years we have partnered with some of Australia's largest organisations to deliver third party security assessments locally and globally.

Through this experience, we have matured and evolved our service offering to create to create a data-driven digital platform that offers end-to-end management of third party security assessments. Its application can also cover broader third party risk management.

Our third party assessment platform can also be augmented by the services of our mature offshore delivery capability to cost effectively execute third party assessments.

PwC's third party assessments – A digital experience

We utilise an innovative solution which we believe is the future for third party assessments – helping you draw meaningful insights from the data gathered, maintain oversight of the issue management process and access benchmarking.

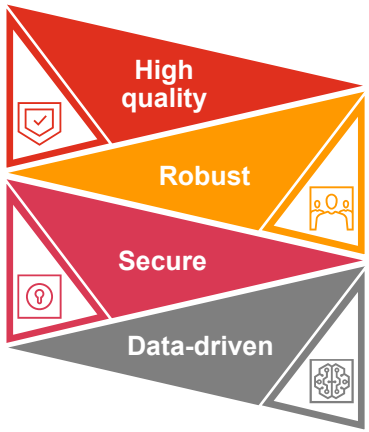
Benefits

Manage	Monitor	Resolve	Analyse	Report
Manage assessments online with the ability to upload supporting documentation via PwC's web-enabled digital platform, Datapoint.	Real-time progress tracking across multiple third parties.	Manage issues raised and establish resolution deadlines with the ability to track progress	Access advanced data analytics, interactive visualisations and benchmark across your third parties and controls	On-demand access to third party assessment reports

Features

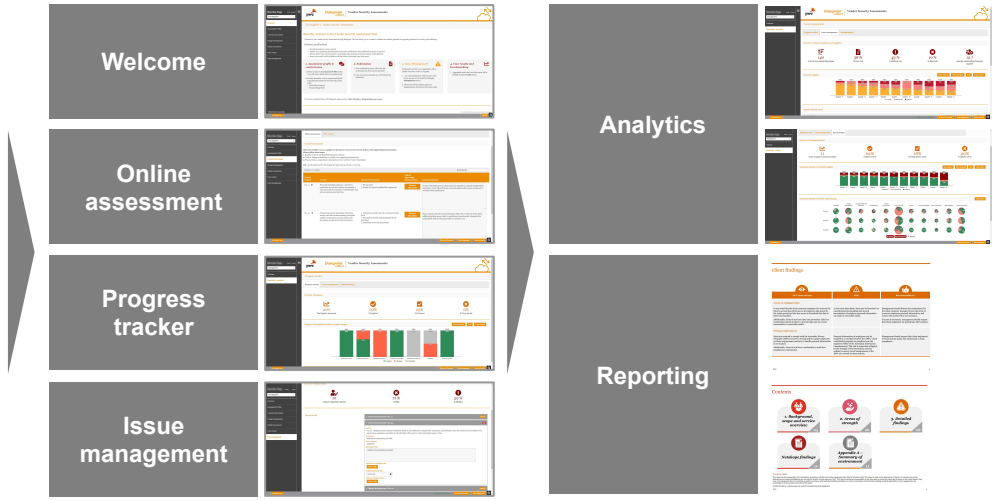
Create a high quality data asset about the security controls at your third parties

- Hosted in PwC AWS environment within Australia
- Simultaneous 24/7 multiple user access with advanced access controls



Provide a centralised trusted source of information

Access meaningful insights, trends & patterns enabling data-driven decision making



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