

# New Vendor Setup Risk Assessment Checklist

Conducting a **new vendor setup risk assessment checklist** is essential to identify potential risks before partnering with suppliers. This process ensures compliance, security, and financial stability, minimizing operational disruptions. Utilizing a checklist helps streamline vendor evaluation and safeguards organizational interests.

**Note:** Use this checklist as a guide. Customize as needed to fit organizational requirements and compliance standards.

## 1. Vendor Information & Background

- Company name, address, and contact information verified
- Business registration and licensing confirmed
- Company history and years in operation documented
- References from other clients reviewed
- No conflicts of interest or affiliations identified

## 2. Financial Stability

- Financial statements reviewed (balance sheet, income statement)
- Creditworthiness and credit rating evaluated
- Outstanding debts or bankruptcy history checked
- Insurance coverage confirmed (as required)

## 3. Compliance & Legal

- Adherence to relevant laws and regulations
- No history of legal action, sanctions, or regulatory fines
- Compliance certifications validated (e.g., ISO, PCI-DSS)
- Anti-bribery and anti-corruption policies reviewed

## 4. Data Security & Privacy

- Data protection and privacy policies assessed
- Information security protocols and certifications verified
- Third-party access and data handling processes reviewed
- Data breach history and response capabilities assessed

## 5. Operational Capabilities

- Capacity to deliver products/services evaluated
- Business continuity and disaster recovery plans reviewed
- Quality assurance procedures verified
- Supply chain risk (subcontractors, sourcing) assessed

## 6. Risk Scoring & Next Steps

- Overall risk rating assigned based on findings
- Document and communicate risks to relevant stakeholders
- Define monitoring and review process for high-risk vendors
- Establish onboarding or rejection decision with rationale