

## Third Party Agreements:

### Security & Privacy Approaches for Protecting Your Data



Who is  
trusted with  
your data?

Regulatory requirements, very real threats from external sources, and customer expectations are redefining the scope of control needs for third parties that handle your data and access your systems. Many organizations rely on a range of third parties to provide critical services for internal operations and end customers. The agreements that govern these relationships must provide the proper framework to mitigate the risks associated with the handling of data and connectivity of systems.

Northcross Group (NCG) provides security and integration services across critical commercial infrastructures and in the Federal Government. Leveraging our experiences in building and assessing programs to help organizations share information in a controlled manner, NCG provides advisory services to sourcing, procurement, and legal teams to ensure security and assurance approaches with third parties are appropriate for your needs.

Regulator focus on protecting data and privacy is removing distinctions between regulated entities and their third parties. If a vendor handles your data, the requirements for data protection you are accountable for do not change. For example, the HIPAA Omnibus Rule and OCC Bulletin 2013-29

demonstrate the need for organizations to ensure their agreements with third parties define the right approaches for data and system protection requirements.

Frequent breaches and media attention are heightening both consumer and commercial awareness of data protection. If customer or client data is compromised, the focus will be on you regardless of whether a third party was the source of the incident.

Effective security programs are based on workable arrangements and the ability of all parties to meet their responsibilities. This may start with agreement terms, but daily processes and efforts must also be in place. Oversight of delivery and day-to-day operational processes should be aligned to help ensure all parties conform to security and privacy requirements. Ongoing performance tracking, risk based addressing of issues, and verification of mitigation steps keep efforts current and aligned with the environment.

### Security & Privacy Agreement Provisions

Defining clear expectations of responsibilities for various parties and how they work together in different functions is essential. This foundation is based on your actual operating

## NCG Third Party Agreement Advisory Service Methodology:

Focus Area	Key Components
Existing Agreement Reviews	<ul style="list-style-type: none"><li>• Review of existing agreements with critical third parties and key business associates.</li><li>• Identification of high priority areas that may require immediate additional steps.</li><li>• Development of target outcomes for agreement renegotiations.</li><li>• Review findings with your legal and sourcing teams.</li></ul>
Agreement Template Evaluation	<ul style="list-style-type: none"><li>• Review of corporate templates for master service agreements, statements of work, business associate, and other template agreements.</li><li>• Recommendations of provision updates and considerations.</li><li>• Identification of negotiation elasticity on key items and boundary positions for compromise efforts.</li></ul>
Vendor Management Assessment	<ul style="list-style-type: none"><li>• Review of existing processes and frameworks for vendor management related to supplier and security controls and performance.</li><li>• Review of OPMs, SLA/KPI tracking and other oversight processes.</li><li>• Identification of near-term, long term, and model improvement recommendations.</li></ul>
Improvement Roadmap	<ul style="list-style-type: none"><li>• Summary of prioritized findings and recommendations.</li><li>• Traceability of recommendations to regulatory and other requirements.</li><li>• Support for program and project execution efforts</li></ul>

environment and those of your third parties; as well as your regulatory and industry requirements. Enhanced parameters for security and privacy can be applied to RFI/RFP processes as well as to template agreements.

NCG reviews and assesses current and standard agreements for the security and privacy frameworks they facilitate to any issues to address or opportunities for enhancement.

### Internal Management Processes

Key third party relationships tend to be longer term relationships that require engagement management on an ongoing basis. While functions for invoice processing and support scope may exist, consideration for controls and risk management may need to be enhanced.

NCG evaluates the design and performance of internal vendor management processes for alignment with security and privacy approaches. This includes review of daily use artifacts such as Operational Procedure Manuals (OPMs), SLA/KPI

tracking, and delivery acceptance. NCG reviews exit planning, benchmarking, and transition strategies to proactively identify any security or assurance opportunities.

### Getting Started

Reviewing your current key agreements and standard templates provides important insights into potential risks that could impact your data and systems. NCG's advisory services highlight potential threats and factors for mitigation, that can help you be proactive in taking steps to strengthen your relationship with third parties. NCG's security and technical expertise gives your sourcing and legal teams the subject matter support to greatly enhance your security posture.

**Disclaimer:** NCG is not a law firm or a substitute for an attorney or law firm. We cannot provide any kind of advice, explanation, opinion, or recommendation about possible legal rights, remedies, defenses, options, selection of forms or strategies.

The Northcross Group (NCG) provides business system, security, and technology services. NCG works to ensure that technology serves our clients, allowing them to meet business goals, gain competitive advantage, enhance security, implement governance, ensure compliance, and stabilize operations.

NCG consultants bring a blend of technical and business acumen with a proven track record in the public, private, and non-profit sectors. We approach challenges head-on and figure out the most effective way to leverage technology to reach objectives.

NCG uses disciplined processes, refined from decades of experience. Flexibility is a cornerstone of our industry-tested methodologies—giving NCG the ability to adapt to changing environments and your needs.

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