



Supplier Due Diligence

When contracting with third parties, including new suppliers of goods and services to the Society, it is important that appropriate checks are carried out to ensure that they are reliable, reputable and risks are mitigated appropriately. This is known as supplier due diligence.

Checking Methods

The Contract Summary Sheet will prompt you to carry out checks on your supplier. **Remember, you need to store all copies on In-tend.**

In addition to **basic checks** (such as reviewing a supplier's website, checking their details match on Companies House, searching for news stories and obtaining references and copies of relevant accreditations/policies), you also need:

- **Insurance** – we need copies of their current insurance certificates to ensure they have appropriate insurance cover and that we are taking all reasonable steps to protect our assets and mitigate losses.

What types of insurance cover and limits should suppliers hold?

- Public Liability - £5m – this covers injury to a member of the public or one of our colleagues or damage to a third party's property whilst carrying out their business activities. We should seek this from all suppliers and contractors.
- Product Liability - £5m – this covers injury to a member of the public or one of our colleagues from a product they have supplied. We should seek this from all suppliers.
- Professional Indemnity - £5m – this covers financial loss on our part as a result of poor advice/negligent services. We should seek this from all service providers such as IT systems, Design & Build Contractors, and any persons offering professional services such as Consultants.

If you have any queries or if your supplier does not meet the required amount of cover, please email Insurance@midcounties.coop for support.

- **Ethical Code of Conduct** – We recognise the essential contribution that our suppliers make in achieving our aims and aspirations for sound sourcing. We ask them to sign an [Ethical Code](#) to confirm their commitment to conducting business ethically and in line with our values.
- **Data Security Questionnaire** - data security is a prevalent risk to the Society. Where the contract involves any of the below, the other party should complete a [Data Security Questionnaire](#) which should be sent to Sheridan.Hindle@midcounties.coop for approval once completed:
 - Personal data (i.e. data that could identify an individual);
 - Sensitive financial information relating to the Society;

- Sensitive security information related to the Society's premises or infrastructure;- Credit card information;
 - Where system access is provided to a third-party solution via a web browser (e.g. a portal);
 - Where software is provided by a third-party and installed on a desktop, laptop, or phone;
 - Where a username and password has been provided to a third party or provided by a third party to support a service;
 - Where equipment will be provided that will reside on the Midcounties network via WiFi or direct network connection. This includes equipment not directly on the network but communicates with devices on the network;
 - Where a third party might access IT equipment for the purpose of repair, installation, or maintenance. IT equipment is not limited to laptops and desktops but also includes items such as CCTV cameras, handheld devices, tills, presentation screens etc.
- **Credit Checks** – this is required where the lifetime value of the contract is over £5,000, to check the financial stability of the organisation. Guidance on how to complete the check is [here](#).

Concerns

If, having carried out due diligence, you are concerned about anything speak to your Line Manager in the first instance. Others may also be able to offer guidance – see [Contract Management – Roles and Responsibilities](#).