

WORKING WITH THIRD PARTIES

What are key triggers to prompt a contract compliance audit with your third party?

If over time you realize your life sciences business isn't receiving regular payments from your third party, or if there are irregularities or deviations from expectations, or if the payments are consistently late or if the amounts received are decreasing, then you should conduct a contract compliance audit.

Other triggers and considerations that can increase the likelihood of noncompliance and warrant an audit may include:



VERIFICATION

For new agreements, verifying the third party understands and abides by the contract language at the onset of the agreement



NEW PRODUCTS

Development of new products, sizes or types of existing products, or new or additional services that will affect your agreement



GOING GLOBAL

Producing or selling products in international markets



AFFILIATES

Usage of additional parties or affiliates, such as sub-licensees, contract manufacturers or distributors, by your third party



MERGER OR ACQUISITION

Undergoing an acquisition or merger on your third party's end



IMPLEMENTATION

Implementation of a new enterprise resource planning (ERP) system that will be used by your third party to report and manage compliance



CLOSE OUT

Ending an agreement with an existing third-party partner and closing out the relationship and obligations