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What CPAs need to know about evolving privacy and ethical risks.

Jenelle Ambrose & Garth Sheriff

An engaging approach to professional development.

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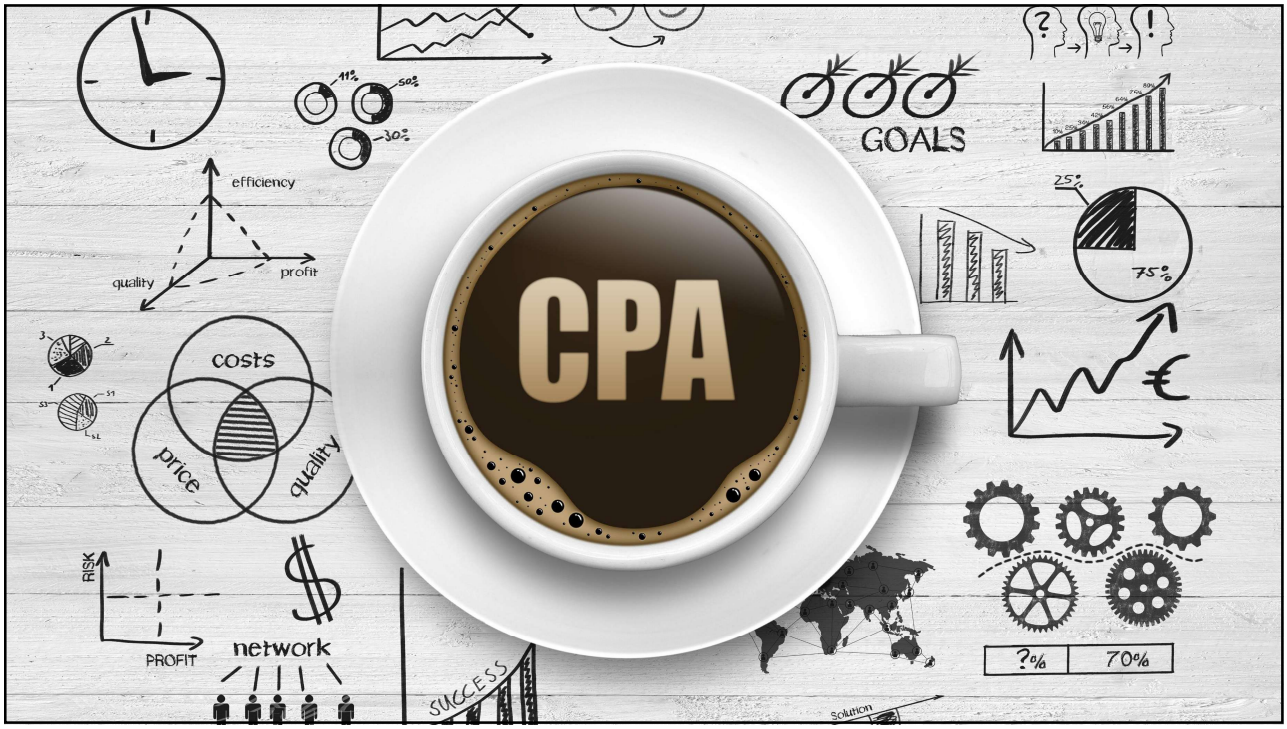

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PRIVACY

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TECHNOLOGY
INTERNET
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VISION
ENGINEERING
WEB DEV
APPS
WEB SERVICES
BIG DATA
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APPLICATION
MOBILE
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PERFORMANCE
CODE
SEO CODING
ORGANIZATION
WEB MARKETING
LANGUAGE
COMPUTER
CONNECT
MOBILE
SERVICES
PROJECTS
HTML / PHP
WWW
MULTIMEDIA
NETWORK
SOFTWARE
PROGRAMMING
SCRIPT
CONTENT
USER INTERFACE
SOCAIL NETWORKS

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Why should CPAs care about privacy

Defining privacy

Privacy vs confidentiality

What do CPAs take for granted when collecting information

A case study

Privacy policy

Guidance for data privacy

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Why should CPAs care about privacy?

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CPAs have professional, contractual and legal obligations to protect client information

There are regulatory and legal risks, particularly professional negligence risk exposure for CPAs

CPAs are often exposed to sensitive information about their clients and are likely targets for bad actors

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Defining privacy

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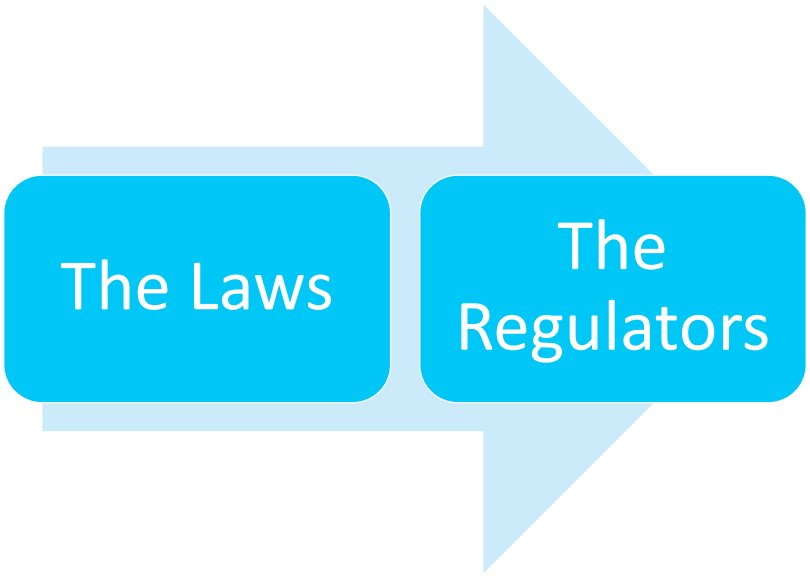

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Office of the Privacy Commissioner of Canada ('OPC');

Office of the Information and Privacy Commissioner for British Columbia (BC OPC);

Office of the Information and Privacy Commissioner of Alberta ('AB OIPC'); and

Quebec Commission on Access to Information

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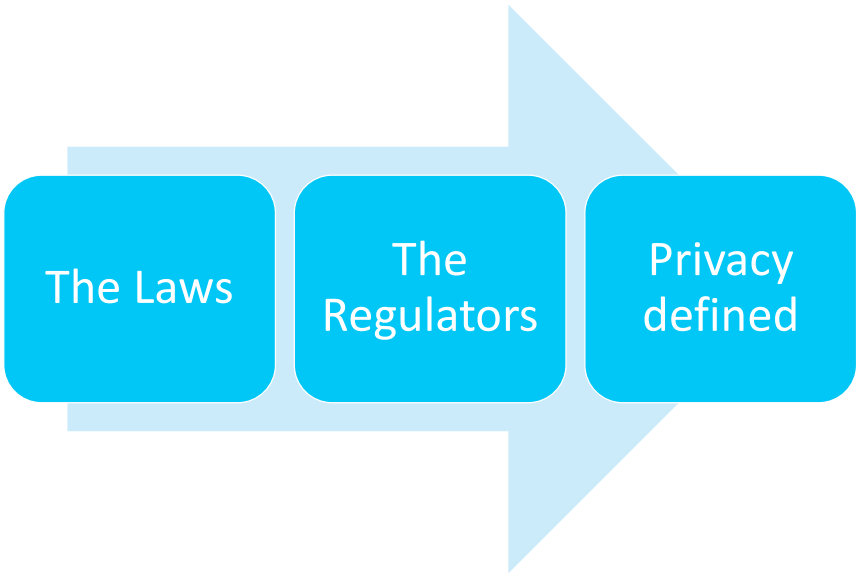

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Privacy

One meaning is that privacy is the right of an individual to have some control over how his or her personal information (or personal health information) is collected, used, and/or disclosed.

Privacy refers to an individual's right to be free from intrusion or interference by others.

Individuals have privacy interests in relation to their bodies, personal information, expressed thoughts and opinions, personal communications with others, and spaces they occupy

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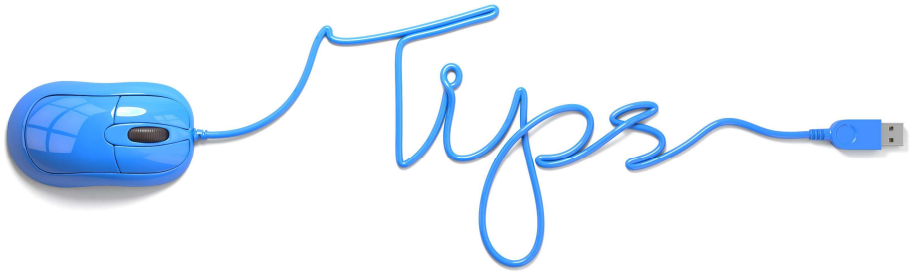
When you think of privacy - think freedom from intrusion and control over one's information



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Privacy vs confidentiality

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Personal information	race, national or ethnic origin,
	religion,
	age, marital status,
	medical, education or employment history,
	financial information,
	DNA,
	identifying numbers such as your social insurance number, or driver's licence, views or opinions about you as an employee

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According to CPA Code Rule 208 "Confidentiality of Information"

The ethical duty of confidentiality refers to the obligation of an individual or organization to safeguard entrusted information.

The ethical duty of confidentiality includes obligations to protect information from unauthorized access, use, disclosure, modification, loss or theft.

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Privacy

Is a right

Everyone is disallowed from interfering in the personal matters of an individual

Restricts the public from accessing the personal details about an individual

About a person

A situation when a person is free from public interference

Confidentiality

An agreement

Means some specified and trustworthy people (someone with a fiduciary obligation) are allowed to have access to information

Protects the information from a range of unauthorized persons

About information

A situation when information is kept secret from the reach of any other person

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The more sensitive the information = higher the level of protection required.

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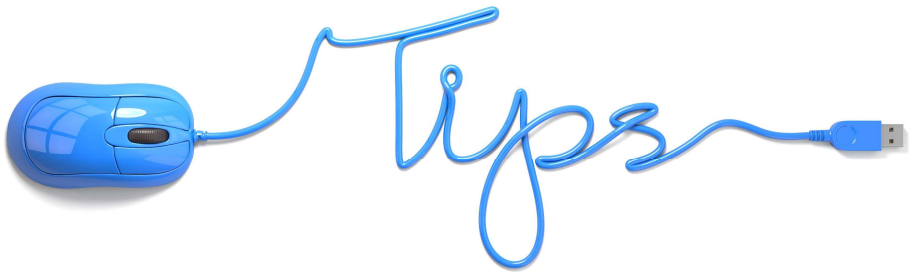
Confidentiality is about the duty to protect information entrusted to you while privacy is about how information about an identifiable individual is shared



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What do CPAs take for granted when collecting information

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What CPAS may take for granted

- The responsibility for the disclosure of client data to third parties will depend on a number of considerations including legal, professional and regulatory requirements.
- Data breaches in the financial sector are amplified because of the regulatory environment.
- Any client concerns over the security of the confidential information will compromise full disclosure
- The significant role that human error plays in data breaches

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"Data breach" loosely as any situation in which data may have been removed from, or lost by, an organization.

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Types of data breaches

- Failures in Encryption and Business Security Standards
- Social Engineering and Phishing
- Employee Error or Negligence

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Risks

- **Legislative** – Fines
- **Common law** – lawsuits, particularly class actions
- **Contractual Compliance-** (obligations in terms of engagement)
- **Regulatory** - (ex. leak of inside information contrary to insider trading laws)
- **Reputation-** loss of clients' trust
- **Costs and expenses** – notification, forensic, legal, PR, human resources (redirecting existing, new)

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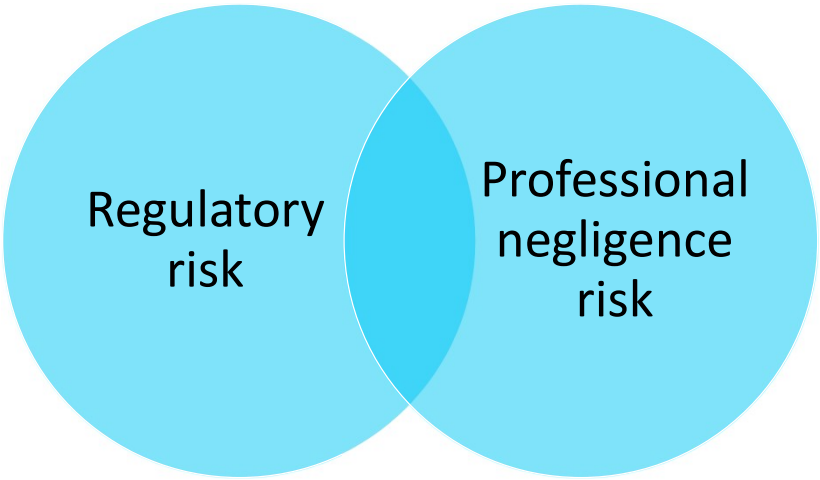

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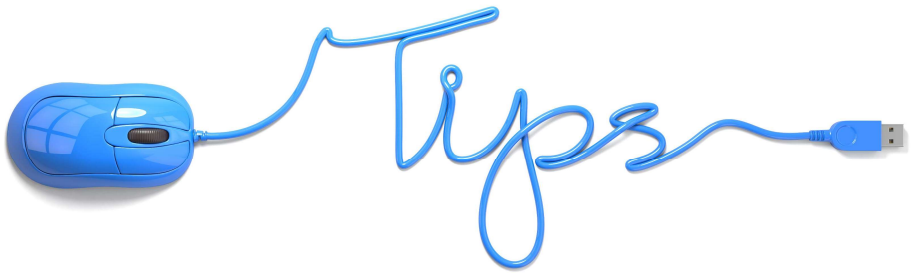
When collecting your client's data, understanding your client's regulatory and privacy obligations should be a part of your privacy risk assessment



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Case study

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PIPEDA Case Summary #2009-005

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PIPEDA Case Summary #2009-005

An individual (complainant) involved in divorce proceedings complained to the Federal Privacy Commissioner when an accounting organization disclosed his investment and tax information without his consent directly to his wife's legal counsel.

The wife's legal counsel had issued a Summons to Witness to the accounting organization, requesting that the organization appear in court with the financial information in order to give evidence.

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Issues

At the time of the disclosure, the accounting organization did not have an active relationship with the complainant and was not his current tax accountant, but four years previously had provided some accounting services for him.

The complainant claimed that the organization's outright disclosure exceeded what was legally required and had violated his right to privacy.

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The Commissioner found that the accounting firm had

Misinterpreted the Act in the given circumstances,

Not respected the intent of the Summons to Witness,

Inappropriately disclosed the individual's personal information

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Key takeaways

Practitioners should ensure that they have the requisite consent for disclosure of personal information.

In instances where disclosures are compelled by law, seek legal assistance or contact your CPA Associations for guidance.

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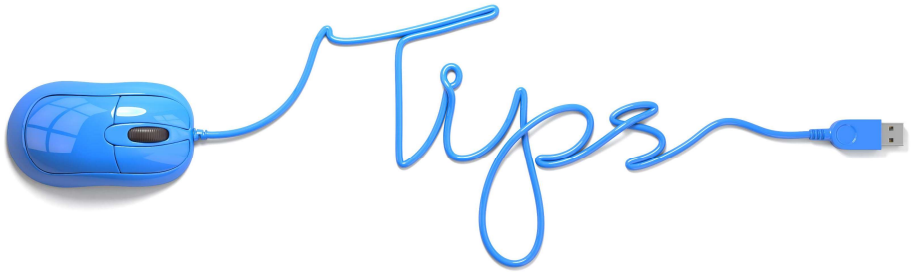
Be sure that your organization is prepared or has service providers to assist with data breaches



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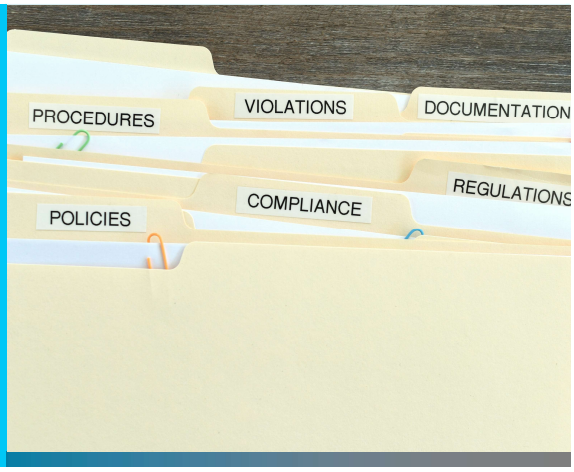
Privacy policy



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Risk mitigation tool kit should include	Written privacy and security policies
	Contractual obligations with third party processors
	Human resources security
	Physical and technical security
	Incident management
	Information Governance
	Business continuity/disaster recovery planning

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Best practices	Conducting an organizational review to minimize and mitigate data breach risks
	Managing risks when selecting vendors and sub-contractors
	An effective data breach incident response plan
	Understanding relevant mandatory breach notification requirements
	Selection of adequate E&O and cybersecurity insurance

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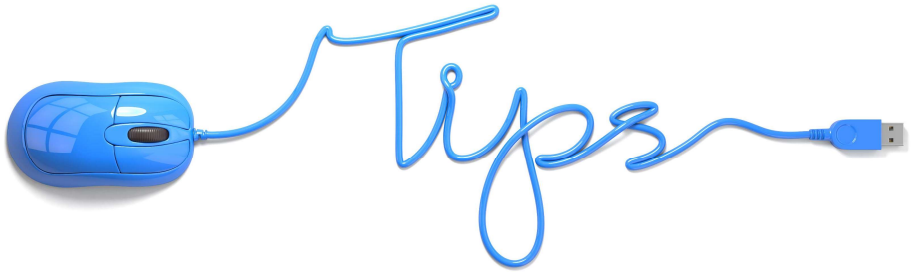
Work with your insurance broker to ensure that you have appropriate cyber security coverage



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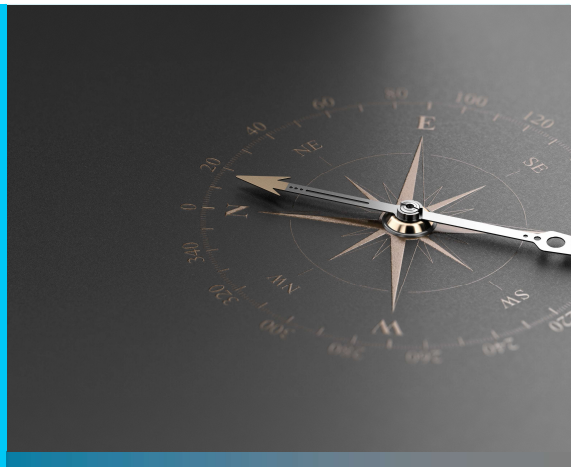
Privacy guidance and conclusion



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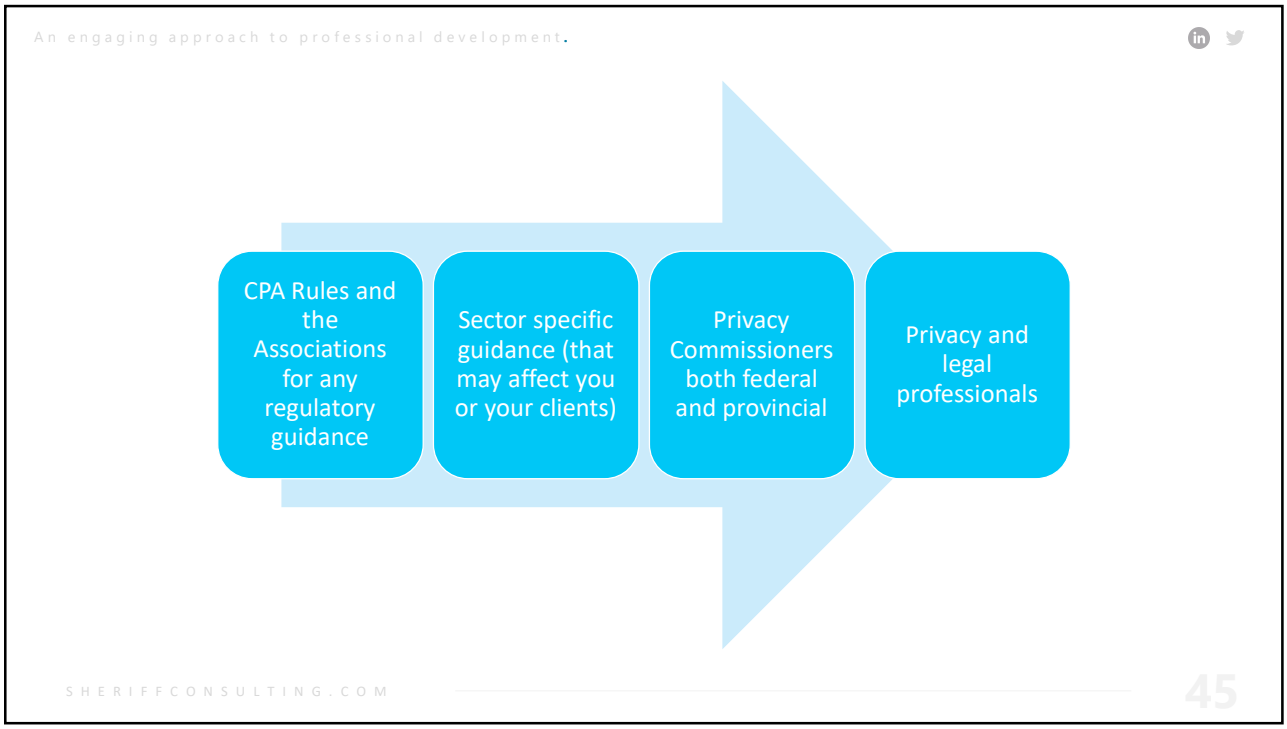
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CPA Rules and the Associations for any regulatory guidance
Sector specific guidance (that may affect you or your clients)
Privacy Commissioners both federal and provincial
Privacy and legal professionals
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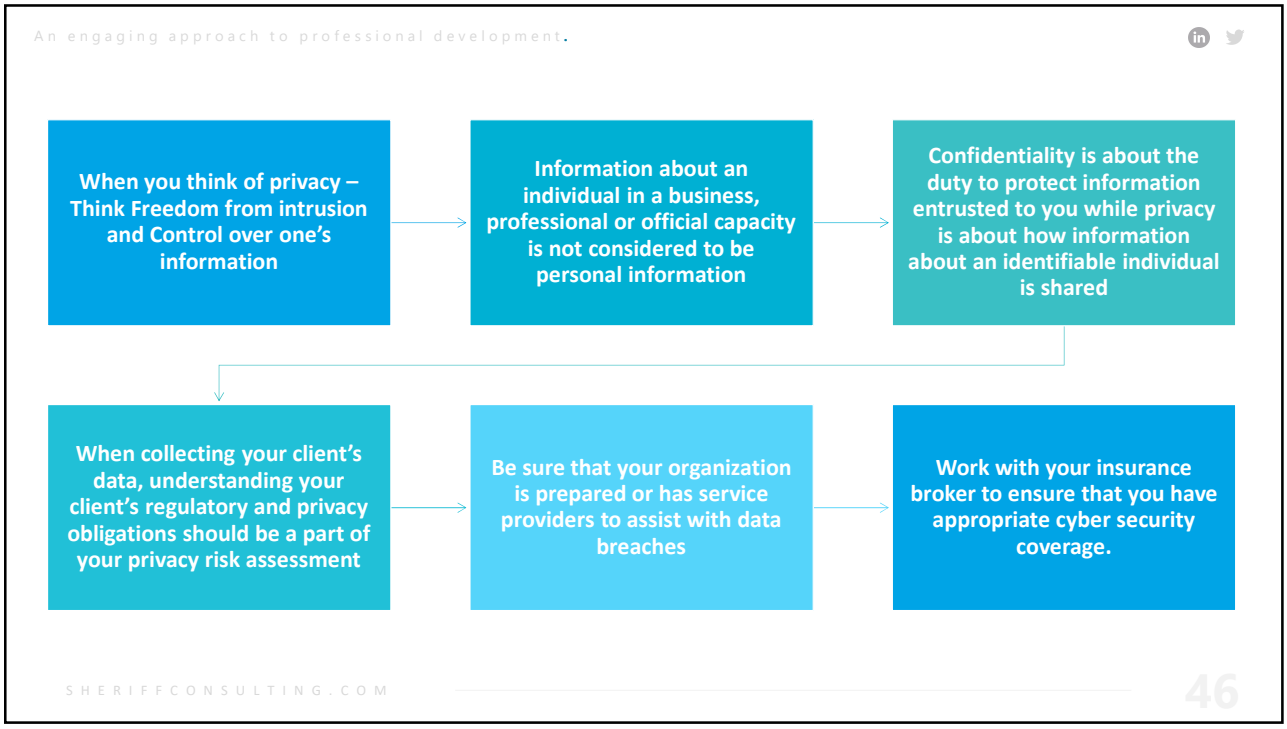
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Confidentiality is about the duty to protect information entrusted to you while privacy is about how information about an identifiable individual is shared
When collecting your client's data, understanding your client's regulatory and privacy obligations should be a part of your privacy risk assessment
Be sure that your organization is prepared or has service providers to assist with data breaches
Work with your insurance broker to ensure that you have appropriate cyber security coverage.
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References

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- ***Securing personal information: A self-assessment for public bodies and organizations:*** https://www.oipc.bc.ca/guidance-documents/1439
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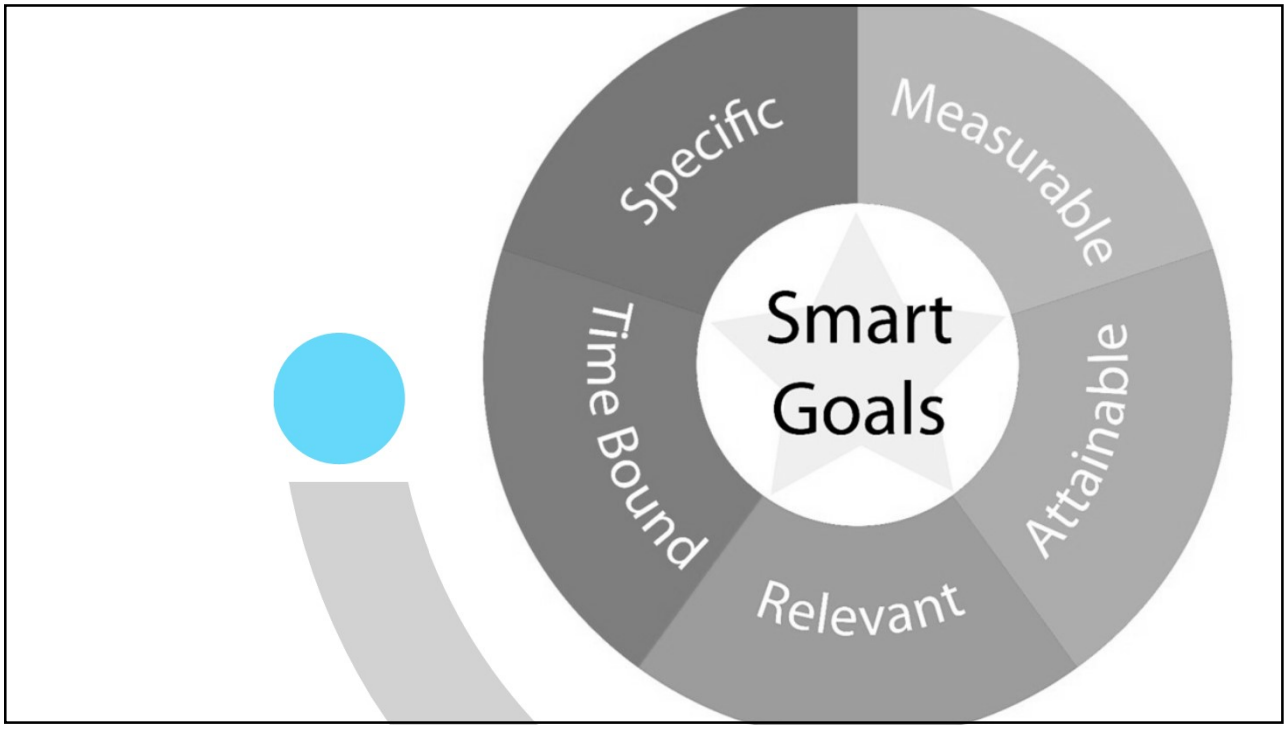

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