

The wide-ranging data integrity risks in today's digital world

Companies are increasingly reliant on data and advanced technologies such as AI, robotic process automation (RPA) and cloud infrastructure to gain business insights, achieve operational efficiency and seek growth opportunities. The use of data and technology presents a range of risks that can cause significant disruption to the business. These risks can be caused by human error, bias, faulty algorithm design, poor-quality data or malicious insiders.

Compounding the problem are the intensifying data protection and privacy regulations around the world, such as the EU's General Data Protection Regulation (GDPR), California's Consumer Privacy Act in the US, Australia's Privacy Act and China's Cyber Security Law. Noncompliance can be destructive to the business - resulting in hefty fines, reputational damage or operation stoppage. Violations originate from outside the organization as much as from inside. Some recent headline news about third-party misuse of data is a case in point.

Privacy and security are also converging with protecting private data as the common goal. Security measures need to go beyond fencing private data because anyone with access to large amounts of data, albeit considered non-private, can gain access to private information with the aid of AI and analytics technologies. Privacy and security risk considerations should be extended to AI and analytics programs.

Besides privacy and security concerns, the use of AI and analytics can cause other legal and compliance concerns. For example, if a company uses AI in hiring decisions, it could inadvertently trigger discrimination laws depending on how the company selects personal characteristics as input. It is always important to understand how a decision is arrived at when defending certain positions. However, it is not always easy, or even possible, to trace the decision tree when AI is used. Finally, while machines can be more reliable than humans in many instances, they can fail hopelessly when encountering unexpected situations.

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It is also important to anticipate that the proportion of personal data that is either passively observed about individuals or computationally inferred about them is growing at an ever-increasing rate.

Strengthening Data Governance
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EYG no. 001149-19Gbl
BSC no. 1902-3046672

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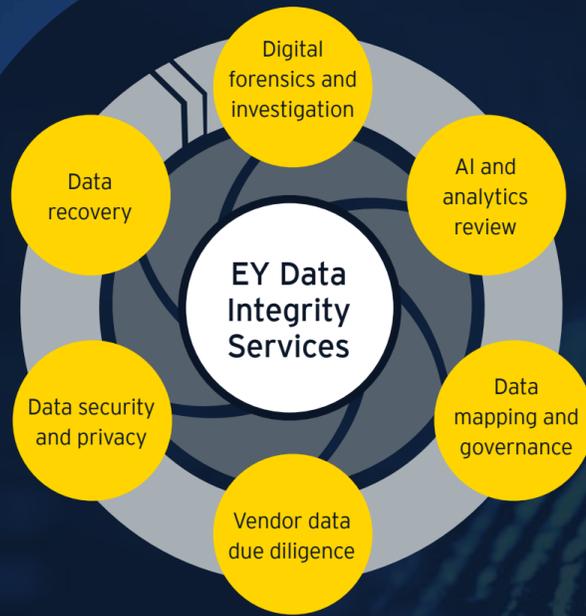
How can you protect your data while still using it?

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The better the answer.
The better the world works.





Intensifying data privacy regulations and state secrecy laws around the world have made cross-border data transfer a significant challenge. We work with organizations to develop a sound data transfer mechanism that takes into consideration legal and regulatory concerns.

We focus on the data analytics or business needs to narrow down the data sets needed, thus reducing risk exposures along the way. Our professionals possess deep knowledge of data anonymization tools and are experienced at identifying the right technology coupled with the optimum workflows for the right objective.

Digital forensics and investigation

Our team has experience conducting data integrity reviews in the context of multi-jurisdictional and global compliance requests. Our investigators come from a variety of sectors and understand how data are sourced, used and shared in day-to-day operations, and the nature of sensitive information that can be subject to legal and regulatory scrutiny.

One team has experience conducting global data integrity reviews across multiple jurisdictions. Their sector knowledge gives them a deep appreciation of how data is sourced, used and shared in an enterprise, as well as the relevant legal and regulatory ramifications. They work alongside forensic technologists and data scientists who are skilled in applying advanced techniques and developing complex algorithms to get to the root cause in a cost-efficient and timely manner.

Key benefits

- ▶ Experience in conducting complex global investigations
- ▶ Global resources enhanced by sector knowledge
- ▶ Human intelligence empowered by technology innovation

AI and data analytics review

AI and analytics can bring legal and compliance concerns due to human error, bias, faulty algorithm design, poor data quality or intentional sabotage. We review AI and analytics implementations by getting into the core of algorithms to assess performance and uncover potential risks. The scope of our evaluation includes data sources, data transfer, work flow integration, privacy, and other relevant legal and regulatory reviews.

Key benefits

- ▶ Thorough evaluation covering a wide range of risk areas
- ▶ Investigative mindset advanced by effective use of technology
- ▶ Root-cause analysis combined with in-depth reporting

Data mapping and governance

Our work ranges from information governance program development, data classification, cross-border transfer, security and privacy; all with the objective to better manage legal and compliance risks while improving the use of data to support business performance. We use a wide range of data and analytics technologies, coupled with RPA, to help organizations gain deep and comprehensive understanding of their data assets in order to optimize their benefits to the business. Our analytics-driven approach brings added risk and business insights to help organizations manage risk and improve operations.

Key benefits

- ▶ AI and analytics-driven approach to gain deeper and broader insights
- ▶ Legacy information governance disciplines serving as the foundation
- ▶ Global regulatory experience in cross-border data transfer

Vendor data due diligence

To investigate areas of potential risk, we perform contractual reviews, fact-finding interviews, digital forensics, forensic data analytics and other analyses to identify various scenarios of data misuse by third parties. Our investigations and inquiries focus on a wide range of potential triggers, such as data removal, data transmission, encryption, audit and fourth-party use of data. We also help organizations prepare impact analyses and develop remediation plans based on findings from investigations and forensic analyses. The findings also drive factual evidence that may be used to prepare for any resulting contract disputes, potential litigations or regulatory inquiries.

Key benefits

- ▶ Leveraging existing vendor due diligence programs to save time and cost
- ▶ Using leading-edge technologies to bring precision and efficiency to investigations
- ▶ Delivering operational efficiency via the use of machine learning and RPA

Data security and privacy

We help organizations develop strategies and mechanisms to effectively manage risks in their data and analytics programs. Working with counsel, we develop written protocols that help them comply with applicable regulatory requirements. We understand requirements dictating how data should be secured, accessed, stored and used. And we look for noncompliance risks both within and outside of the organization, and whether private information is inadvertently revealed or used when aggregating and analyzing multiple data sources.

Key benefits

- ▶ Deep knowledge of global data protection and privacy regulations
- ▶ Dedicated sector professionals who understand unique industry data and regulatory challenges
- ▶ Multidisciplinary teaming from talents in operations, data governance, technology and regulatory compliance

Data recovery

In the event of destruction or corruption of data, EY can provide data recovery services and resources to support restoration from all types of deleted, corrupted, missing or inaccessible data that may have resulted from the incident. This includes recovery of loss from any operating system environment and working with response teams to restore services.

Key benefits

- ▶ Time- and cost-efficient delivery
- ▶ Global resources ready to be mobilized at a moment's notice
- ▶ Ability to work in both offline and cloud environments

How EY can help

Core investigative and regulatory competencies

Our multidisciplinary team – consisting of investigators, former regulators, legal and compliance professionals, certified public and forensic accountants, certified fraud examiners and forensic technologists – have led many high-profile investigations involving a wide range of regulatory and litigation proceedings. They are the bridge between stakeholders in complex, large-scale legal and regulatory responses.

Sector knowledge

Because we know the importance of industry experience, we organize our client service teams by sector affiliation. They understand sector-specific risks and regulatory requirements and effectively apply the knowledge in working with management, outside counsel or regulators to respond to legal and compliance challenges.

Deep AI and data analytics bench strength

We have a team of data science and computer science professionals who carry not only the academic pedigree but also real-world experience in implementing complex AI and analytics programs. They are experienced at identifying the commercial benefits and inherent risks that these technologies bring, and they are adept at leveraging new leading-edge technologies such as RPA to enhance AI and analytics implementations.