



# Minimizing risk through data disposition

July 2020

# Data disposition

## What is data disposition?

Data disposition is a comprehensive term designed to capture the different methods businesses can use to dispose of sensitive data. These methods are pursuant to various regulations, retention policies, consumer requests or other business needs.

An effective data disposition program requires a partnership with the business to understand the data life cycle and flows, and integrate with the various components of data security.

Actionable data disposition typically takes one, or a combination, of the three methods described below. The organizational approach should be driven based on the requirements and data use cases of the business.

### Deletion

Permanently and completely erasing the sensitive data in existing systems (e.g., overwriting and record deletion)

#### Benefits:

- ▶ Data minimization
- ▶ Reduction of regulatory risk

#### Challenges:

- ▶ Data no longer available for analytics or other business needs
- ▶ Requires maintenance of records of deletion

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### De-identification

De-identifying the sensitive data (e.g., anonymization)

#### Benefits:

- ▶ Addresses personal identifiability and retains related data
- ▶ Ability to run analytics on de-identified data

#### Challenges:

- ▶ May be possible to re-identify sensitive data based on supporting fields
- ▶ Requires effective data dictionary and disposition framework

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### Aggregation

Aggregating the sensitive data (e.g., summarize and range)

#### Benefits:

- ▶ Ability to run analytics
- ▶ Helps understand large sets of data without retaining underlying sensitive data

#### Challenges:

- ▶ Can remove important context from personal information
- ▶ May require changes to business analytics

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## Why data disposition?

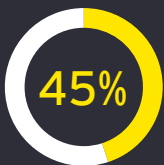
The need for effective data disposition is evidenced by the EY and IAPP 2019 Annual Privacy Governance Report, which indicates that 300+ of EY clients are focused on understanding data and its locations, and recognize data disposition as a data security challenge.



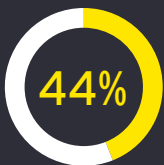
Consider emerging data privacy regulations as a medium/high priority



Rate data disposition requests as a medium/high priority



Do not have a team to handle data disposition requests



Have undertaken efforts specifically aimed at data disposition

## Understanding the problem

The advent of the digital age has brought tremendous opportunity for growth and innovation along with many difficult challenges. One of them is data disposition. Many organizations are struggling to keep pace with their data life cycle, i.e., collection, storage, retention and deletion. Common challenges associated with deploying an effective data disposition program include:

- 1 Expanding scope of regulatory agendas and emerging compliance requirements
- 2 Proliferation of data processing, storage and usage in the cloud or on premises
- 3 Collection and storage of historical sensitive data beyond retention period
- 4 Limited business integration and ownership
- 5 Insufficient data governance to manage the data life cycle

## Drivers behind the changing data disposition landscape

Consumer drivers	<ul style="list-style-type: none"><li>▶ Increased awareness regarding misuse of personal information and general distrust due to data breaches.</li><li>▶ The right to access data and request its deletion.</li></ul>
Regulatory drivers	<ul style="list-style-type: none"><li>▶ Rise in data privacy regulations, e.g., the General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA), increase the burden on organizations to manage and understand data.</li></ul>
Business drivers	<ul style="list-style-type: none"><li>▶ Realization of the risk of sensitive data being stored beyond business useful life and the potential data breach implications.</li></ul>
Use case drivers	<ul style="list-style-type: none"><li>▶ Organizations' unique needs for driving business through the consumption of data and data analytics.</li></ul>

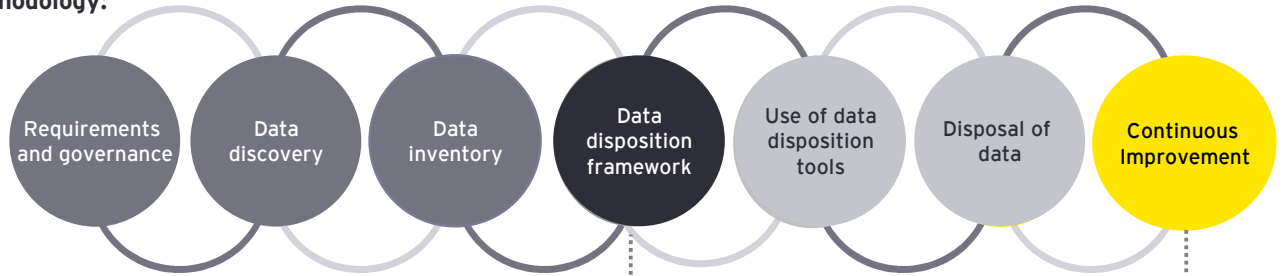




## Data disposition program methodology

The diagram below outlines the sequence of stages that data will go through in a data disposition program. EY aligns its data disposition approach to the following methodology:

### Methodology:



### Approach:



## Employing a holistic approach

The EY approach to address clients' challenges regarding data disposition focuses on providing a sustainable solution that effectively addresses compliance and data protection requirements while maintaining data usability. EY's data disposition solution is people-oriented, process-driven and enabled through the use of a proprietary technology platform.

### 1. Strategy and scope

- ▶ Align strategic disposition objectives with business, regulatory compliance and legal hold requirements
- ▶ Define program governance, including roles, responsibilities and workflow with a focus on business integration
- ▶ Define the scope of the program through data discovery at the element and repository levels

### 2. Framework development

- ▶ Define a data disposition framework that maps data elements and applications to actionable disposition methods based on requirements and use cases

### 3. Technology and automation support

- ▶ Design, develop and implement technology solutions through effective planning, identification of use cases, process development and a robust governance structure
- ▶ Automate processes for recurring data identification and disposition through orchestration

### 4. Continuous improvement

- ▶ Support ongoing program improvements through metrics, reporting, technology enhancements and automation based on changing business and regulatory drivers

## Benefits realized

### Risk reduction

Deletion, de-identification and aggregation reduce overall data privacy and security risk for the organization.

### Data management

Data disposition supports rationalizing and managing of data that matters the most to the organization. This will further assist data prioritization and reduce duplication.

### Cost optimization

Data disposition allows an organization to prioritize the most sensitive data attributes that need to be de-identified, reducing the extensive procedural steps that are often prescribed for otherwise securing personal information.

### Privacy streamline

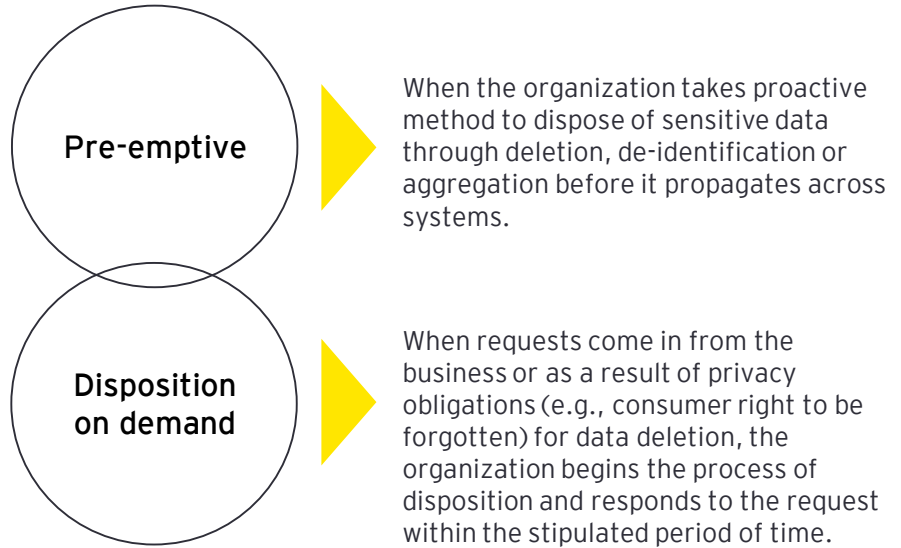
Data disposition establishes that the rights of individuals and organizations are honored, including database categorization, privacy controls, business rules and de-identification

### Governance

A set of processes and protocols created to confirm that all data disposition capabilities are executed in alignment with existing organization policies, standards and regulations related to retention and deletion.

## Methods of disposition

The EY approach to data disposition provides flexibility in complying with privacy and security obligations. This approach employs two methods of data disposition. When a combination of these two methods are used, maximum benefits will be realized.



## Strategic considerations for data disposition

Building a robust and holistic data disposition program requires strategic decisioning and considerations as well as input and integrations with a variety of key stakeholders.

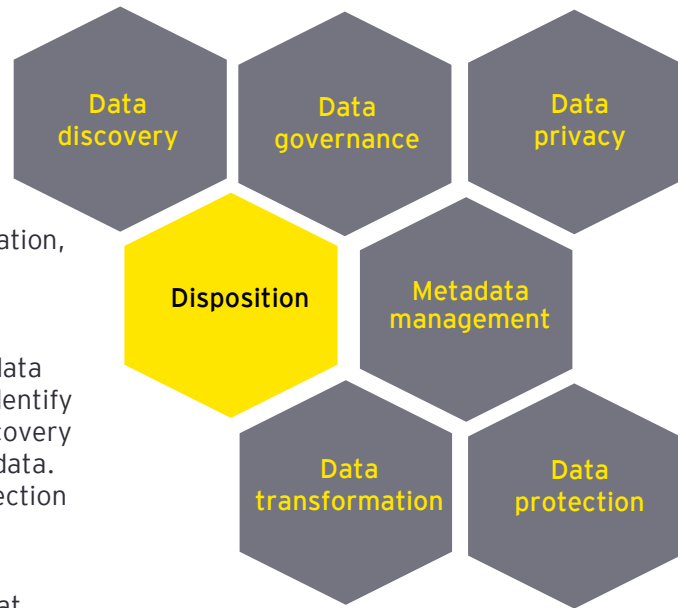
Disposing of data requires data owners, compliance, legal, IT and cybersecurity to work together to develop a strategy that enables the business while meeting data disposition and retention requirements. This strategy is what creates the building blocks for a client's data disposition program and is outlined below.

Define your data and data structure	Understand how data is used	Identify data interdependencies	Link data to legal holds and retention schedule	Design approaches to de-identify and dispose of data	Develop data disposition initiatives and implement them	Establish a road map to implement initiatives
Interview data owners and business leaders to define the data types, data elements and systems that are used as a part of organizational business processes.	Work with the business to understand how data is created, ingested, enhanced, stored and shared as part of the business processes and data analytics.	Identify the links and cross-references to data elements to understand the data lineage and implications changing data has on the business.	Link data to legal holds and retention schedule to align strategy to minimum retention period required based on these requirements.	Design the methods for de-identifying or disposing of data (deletion, encryption, anonymization, etc.) in order to enable the business and meet retention and disposal requirements.	Develop projects for implementing data disposition programs, controls processes and solution to meet retention and disposition requirements.	Prioritize the data disposition projects, estimate the deployment and steady state costs and establish a timeline for implementing the data disposition projects.

## How does data disposition fit into an overall data protection strategy?

For data disposition to be most impactful to your organization, it must be aligned to both the overall data protection and business strategy. Key integration points include building disposition into data governance, management and transformation. To better understand the scope of your data disposition needs, and to position your strategy to best identify and mitigate significant risks, processes such as data discovery must support ongoing maintenance and management of data. These integrations will help support and define data protection strategy to reduce data risk without disrupting business function.

EY teams provide a variety of data protection services that enable data disposition and broader data protection programs.



### How can EY teams support your journey

For data disposition program to be effective, the linkage to other data protection and privacy initiatives should be understood.

EY teams bring experience from all of our data protection and privacy core services to help clients strategically build their disposition program with security and privacy in mind.

By taking this holistic approach and understanding the impact on the broader data protection and privacy agenda, your organization can manage and mitigate significant risks.

### EY data protection and privacy core services

#### *Data Protection Strategy and Transformation*

Services to measure, design and improve the overall data protection strategy program and its governance

#### *Privacy Program Assessment and Improvement*

Services to support identifying data privacy strategy and to support clients in their privacy transformation journey

#### *High Value Information Asset (HVIA) Protection*

Services to design and implement HVIA protection programs, including identifying, classifying, governing, securing and dispositioning high-value information

#### *Data Protection Technology Enablement*

Services to assist clients in the selection and implementation of technology solutions for key data protection and privacy solutions

#### *Managed Services*

Services to assist clients with ongoing operational execution of data protection and privacy processes

#### *Cryptography*

Services to assist clients with developing and deploying cryptographic solutions to disposition and secure information

# Meet our data protection & privacy leaders



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Data disposition reduces risk exposure and is a pivotal piece of a leading class cybersecurity program.

Dave Burg

EY Americas Cybersecurity Leader



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Data minimization is a key strategy to reduce impacts to both individual consumers and organizations.

Kyle Harvey

EY Americas Data Protection and Privacy Leader



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An effective data disposition leads to an effective mitigation of data risk.

Varun Sharma

EY Americas Data Protection Leader

## EY insights and lessons learned

By rethinking the way you manage data retention and implement data protection and disposition controls, your organization can manage and help mitigate risks by:

- ▶ Establishing effective data governance
- ▶ Implementing data protection controls that address your organization’s highest risks and most sensitive data
- ▶ Taking a holistic approach by understanding the impact of the broader information security agenda and compliance requirements on your data disposition program and monitoring the effectiveness of all the relevant controls that support the program

		Leading practices	Common mistakes
Success factors	✓	Educate business leadership about consumer expectations of privacy across all channels and touchpoints	✗ Approach data disposition only as a legal issue
	✓	Building a sustainable privacy governance model to withstand the conveyor belt of privacy regulations on the horizon	✗ Launch ambitious data discovery initiatives to identify structured and unstructured data without understanding data flows
	✓	Defining roles and responsibilities and privacy-focused culture to manage data disposition operations	✗ Transferring privacy risk accountability to business functions
	✓	Aligning privacy obligations with other enterprise-wide strategic initiatives to reduce change fatigue	✗ Launch data disposition solution without a proper strategy
	✓	Leveraging technology to streamline data disposition operations to reduce burden on those responsible for driving privacy requirements	✗ Believe that deploying a technology will protect the organization completely
	✓	Employing a risk-based, phased delivery approach with effective planning to address areas with highest exposure	✗ Use multiple vendors or point solutions without holistic and strategic planning
	✓	Provide continuous user communications and education	✗ Dispose data without business alignment

## Learn more

For more information about how EY teams can help, please contact:

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## EY | Assurance | Tax | Strategy and Transactions | Consulting

### About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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