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Asia Pacific Foundation of Canada

Privacy Impact Assessment Conducted in Relation to the Asia Pacific Foundation of Canada's Constituents' Database

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moving forward together...

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Executive Summary

Introduction

This report presents the findings that were made during the Privacy Impact Assessment (hereafter “PIA” or “assessment”) conducted in relation to the APFC’s Constituents’ Database.

The purpose of the assessment was to identify the privacy related risks and the security risks as they relate to privacy that are associated with the development, deployment and use of the database and related activities and, where applicable, to propose options and recommendations to mitigate those risks.

Background and Reasons for the Conduct of this PIA

In 2004 the Foundation was awarded a fifty million dollar endowment by way of a funding agreement with the Minister of Foreign Affairs¹ which, in addition to setting out the general terms and conditions pertaining to the endowment and the Foundation activities, specifies that:

- *“2.1 The Endowment Fund is to be prudently invested and the principal is not to be drawn down. The returns shall be used to support the activities of the Foundation; and*
- *“2.2 The Endowment Fund may be supplemented at any time by additional amounts raised by the Asia Pacific Foundation from non-Government of Canada sources”.*

The above conditions, coupled with low return on investment that the Foundation has been experiencing as a consequence of the stock market crash of 2007-2008 have prompted management to look for ways to broaden the sources of the Foundation’s funding. The establishment of a Constituents’ Database that could be used to develop better communication with current and potential donors/sponsors was seen as a key element of that strategy, and a contract was signed with a reputable service provider in December 2011.

¹ Conditional Grant Agreement Between Her Majesty the Queen in Right of Canada, as Represented by the Minister of Foreign Affairs, and the Asia Pacific Foundation of Canada, 2004, amended in 2010.

Under the terms of the contract, the service provider, Blackbaud Professional Services, of Charleston, South Carolina (United States of America), will offer the Foundation access to an electronic marketing application that is to be used to store and manage the Foundation's list of current and potential subscribers, event participants, sponsors and donors.

Because the Constituents' Database is to be used to collect and store personal information about identifiable individuals (as defined by section 3 of the *Privacy Act*), the Treasury Board of Canada Directive on Privacy Impact Assessment of April 1, 2010² requires that a privacy impact assessment (hereafter "PIA" or "assessment") be conducted to ensure that it is administered in compliance with the *Privacy Act* and the generally accepted privacy principles and that the associated privacy risks are properly identified and mitigated.

Findings and Conclusions

As a small organization with less than fourteen employees, the Foundation does not have the resources and expertise to develop and administer its own internal database and, for years, it has contracted out most of the IT Services that it required. So the decision to hire an external service provider for the development and administration of the Constituents' Database is perfectly in line with that historical approach.

That said, research conducted by the Foundation failed to identify a credible service provider within Canada, probably due to the fact that, with a relatively small number of not-for-profit organizations, Canada does not present the critical mass of clients for anyone from within the IT industry to demonstrate interest in offering the kind of service that would respond to the Foundation's needs and requirements.

As detailed in the following analysis table, the assessment of the use of service provider based outside Canada and, more particularly, in the United States, highlighted the following risks:

1. Even though the adoption of the Constituents' Database approach is not likely to change in any way the Foundation's legislative mandate, it does expand the Foundation's capability to analyze and massage the personal information under its control. If left uncontrolled, this could result in serious privacy breaches over time;
2. The use of a service provider located outside Canada presents significantly high risks, mainly resulting from the Foundation's loss of control over the data, the consistency in the application of security policies over time by the service provider and the possible

² Internet Link: <http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=18308§ion=text#cha1>

Asia Pacific Foundation of Canada
PIA Conducted in Relation to the APFC's Constituents' Database

disappearance or restructuring of the service provider. It can be argued that considering the size and solid reputation of the chosen service provider, these risks are more theoretical than real, however, the Foundation cannot ignore totally the remote possibility that they materialize.

	Risk Factor	Mitigation Strategies
1	<p>Loss of Control:</p> <p>Once the information is uploaded into the database, the Foundation will lose control over it from all perspectives:</p> <ul style="list-style-type: none"> • Physical and electronic: mainly coming from the fact that the information is to be stored in another organization's systems and facilities and that the Foundation will have no ability to modify the environmental parameters; • Legal: mainly coming from the fact that, even though the personal information is to be housed in a facility located within Canada, it will be under the control of a US based private sector organization (the service provider). Consequently, it could potentially be subject to the <i>USA Patriot Act</i> and expose the individuals to whom the personal information pertains to a serious loss of privacy; • Contractual: should a serious disagreement or conflict erupt between the Foundation and the service provider, the information stored in the database may become temporarily or even permanently unavailable to the Foundation. It should also be mentioned that in case of a conflict, the service provider's large economic resources would undoubtedly work to the Foundation's disadvantage. 	<p>This factor is one that would normally have to be assessed at the time of contract negotiation, however, with a company of the size of Blackbaud it is unlikely that the Foundation would have been in a position to successfully negotiate any substantial changes to Blackbaud's standard terms of contract.</p> <p>Given that situation, the Foundation would be expected to show extreme vigilance in how Blackbaud fulfills its contractual obligations and periodically assess the situation to identify any new or evolving risks.</p> <p>In the worst case scenario, the Foundation would be expected to quickly develop options to at least protect its access to its information so that it can be safely removed from the database or at least protected from the risks, either by backing it up on another site or by destroying it to prevent unauthorized access, use or modification.</p>
2	<p>Security:</p> <p>The information kept in the database is to be subject to the service provider's tolerance to</p>	<p>In addition to the above risk mitigation measures, the Foundation should periodically verify with Blackbaud that the security measures in place are properly reviewed to</p>

Asia Pacific Foundation of Canada
PIA Conducted in Relation to the APFC's Constituents' Database

	Risk Factor	Mitigation Strategies
	risks - confidentiality, integrity, availability and loss of strategic value – with no ability for the Foundation to exercise any significant influence on the service provider.	respond to the new or evolving threats. The Foundation should also regularly assess the threats from its own end and take adequate measures to secure its IT and physical infrastructure.
3	<p>Continued Existence of the Service Provider:</p> <p>As a private sector organization, the service provider is not immune to economic difficulties, and it is not shielded from attempts by its competitors or even by agencies operated by governments to acquire its ownership. This may result in the service provider's dismantlement or to in a transfer of its management and/or operations to another country. Again, there is little that the Foundation can do should the terms of its contract with the service provider not be adhered to.</p>	<p>The evolution of Blackbaud's status is relatively easy to monitor using the conventional media – financial analysis, news about the company, etc. - and by monitoring the corporate information on Blackbaud's Web site.</p> <p>Quality of service could also serve as another indicator of the company's continued ability to fulfil its contractual and legal obligations in the market place.</p>

Because of the limited options available to the Foundation, it should exercise constant monitoring of the situation and show diligence in reacting to any real or perceived problem.