



Extract from the report to the
Public Accounts Committee on
the government's processing of
confidential data on persons
and companies

November
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1. Introduction and conclusion

1.1. Purpose and conclusion

1. This report concerns how a number of Danish government institutions protect confidential data on persons and companies. The report is based on IT audits carried out in connection with the annual audit in the spring 2014 and is as such a narrow report. The purpose of the audit was to assess whether confidential data on persons and companies are adequately protected by the government institutions. Rigsrevisionen took initiative to launch the study.

CONCLUSION

Rigsrevisionen has examined how eight government institutions process confidential data on persons and companies in 11 selected IT systems. The fact that these government institutions do not protect confidential data on persons and companies adequately is considered unsatisfactory by Rigsrevisionen.

If a government institution does not protect confidential data to the extent necessary, the risk that third parties get access to confidential data will increase along with the risk that the data will be abused. Inadequate protection of confidential data may also erode the citizens' and companies' confidence in government data security, which may eventually become a barrier for the continued efforts to implement e-government and make government administration more efficient.

The study shows that none of the examined institutions handle confidential personal data in full compliance with the requirements prescribed in the Danish Executive Order on Security, which elaborates on the regulations of the Danish Act on Processing of Personal Data. The government institutions in the study have to a wide extent not updated their internal guidance, checked user access, logged staff's searches and subsequently erased them, followed up on agreements made with external data processors or supervised compliance with internal security measures. Neither the examined systems of government institutions that are used to handling large amounts of confidential data like the Police, Statistics Denmark and SKAT (the Danish Customs and Tax Administration), meet all the requirements of the Executive Order on Security.

The audit approach and quality requirements to **narrow reports** are identical with those applying to Rigsrevisionen's other reports, but the scope of narrow reports is more limited.

Data is confidential if the general perception in society is that they should be exempt from public inspection.

No processing may take place of personal data on racial or ethnic origin, political opinions, religious or philosophical beliefs, trade union membership, health, sex life, criminal offences and serious social problems. This type of data is also referred to as **sensitive personal data** and are referred to in the Act on Processing of Personal Data section 7(1) and section 8(1).

Data on internal family matters like, for instance, disputes, and data on attempted suicides and accidents are also confidential. Data on, for instance, income and financial circumstances, work, education and employment are also - depending on the specific circumstances - confidential.

Statistics Denmark handles data on all Danish citizens, but searches performed by the staff are not logged as prescribed by the Executive Order on Security. In practice, this means that Statistics Denmark is unable to trace whether a member of its staff has made unauthorised searches if, for instance, information on a person's prior sentences has leaked. Rigsrevisionen had noted that Statistics Denmark did not seem to log the staff's searches in compliance with the Executive Order on Security already back in 2011. In July 2014, the Danish Data Protection Agency concluded that the logging requirement also applies to Statistics Denmark. The Data Protection Agency requested that Statistics Denmark took steps to organise its processing of personal data in compliance with the requirements of the Executive Order on Security. The Data Protection Agency and Statistics Denmark are still in dialogue on the issue. The fact that Statistics Denmark has not endeavoured to have this important issue settled sooner is considered unsatisfactory by Rigsrevisionen.

Rigsrevisionen has also examined whether confidential data on private companies are adequately protected. This study included three of the eight government institutions. Contrary to the protection of confidential data on persons, the protection of confidential data on companies is not regulated by special legislation. Rigsrevisionen finds that the security of data processing concerning private companies should be improved by the government institutions since leak of this information may harm, for instance, the competitiveness of the companies.