

Risks in digitalization

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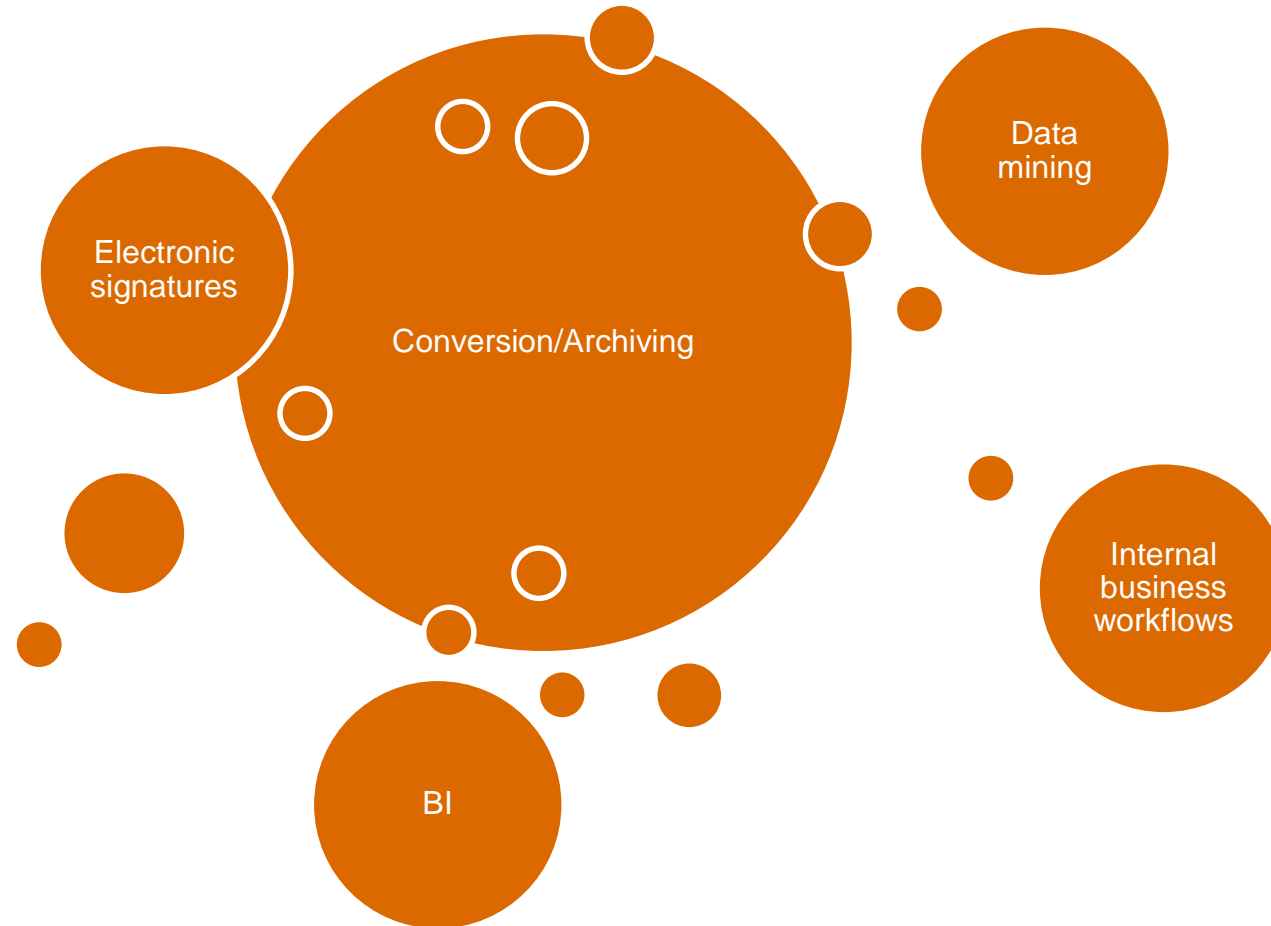


Motto

***“Paper changed the way we store
information.
Digitalization is changing the way
we work with the information.”***

(and the risks we facing)

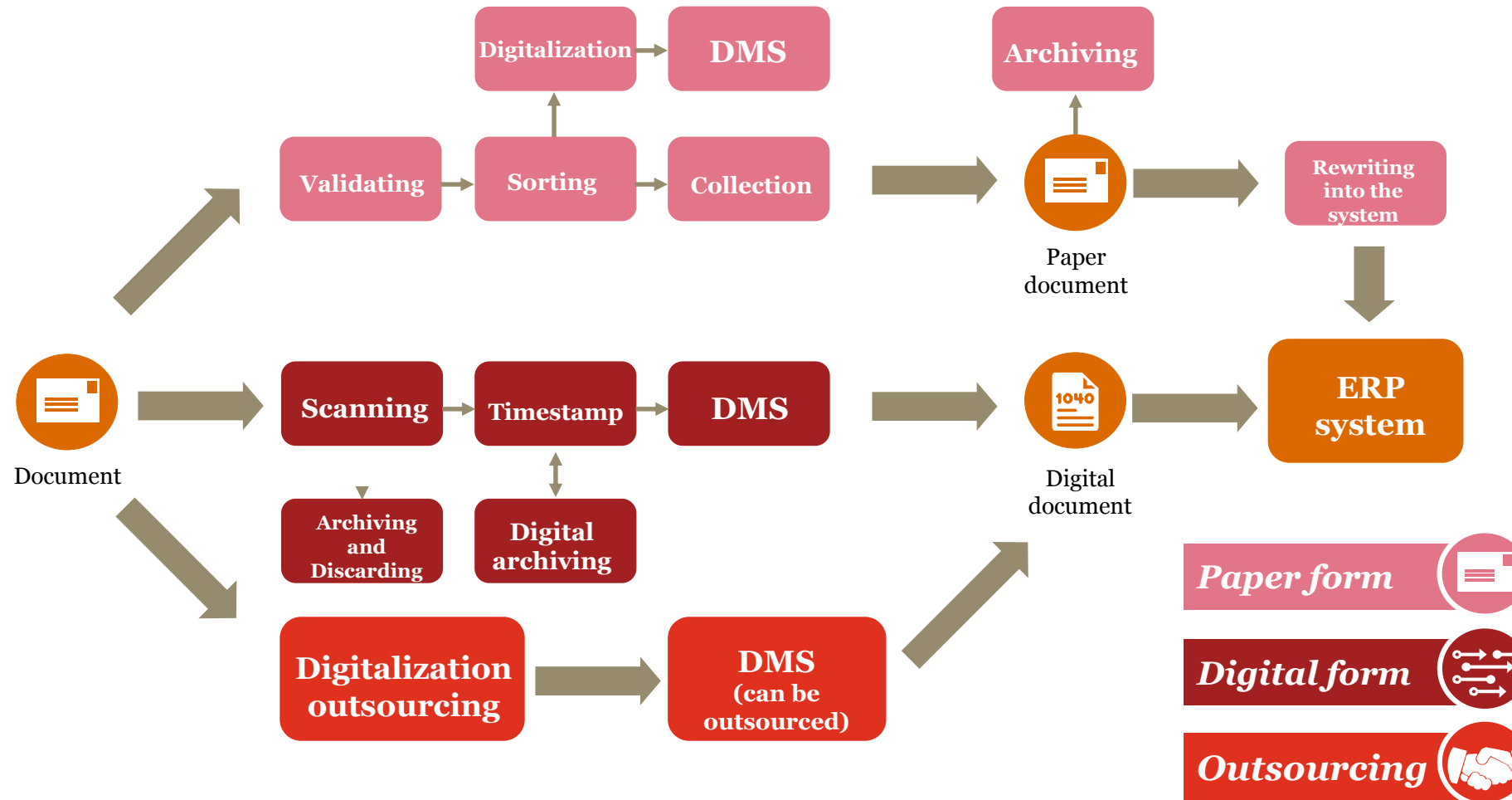
Digitalization



Implementations (samples)

- Invoice processing /(self) billing / accounting transactions
- Storage management
- Internal workflows
- Industry standards management
- Electronic contracts management
- Electronic signature forms
- Biometric signature forms
- Datamining / BI / Big data
- Etc.

Digitalization/conversion forms



Benefits (digitalization and dig. as a service)

- Faster processes due to elimination of manual work, handover and snail post sending of paper materials
- Faster and more precise pairing of variable documentation assets in organization
- Faster and more precise audit work due to easier asset search
- Elimination of human error issue
- Concentration on core business rather than internal corporate processes
- 3rd party provider is keeping solutions and compliance up to date
- 3rd party can concentrate on proper archiving and discarding of the documents
- Implementing digitalized solutions is enforcing digitalized culture in organizations leading to new sets of products

Legal framework in CZ

Zákon o dani z přidané hodnoty č. 235/2004 Sb.

Zákon o účetnictví č. 563/1991 Sb.

Zákon o archivnictví a spisové službě č. 499/2004 Sb.

Zákon o ochraně osobních údajů č. 101/2000 Sb.

Zákon č. 300/2008 Sb., o elektronických úkonech a autorizované konverzi dokumentů

Zákon o elektronickém podpisu 227/2000 Sb.

Etc.

Conservative framework

Integrity

Availability

Verifiability

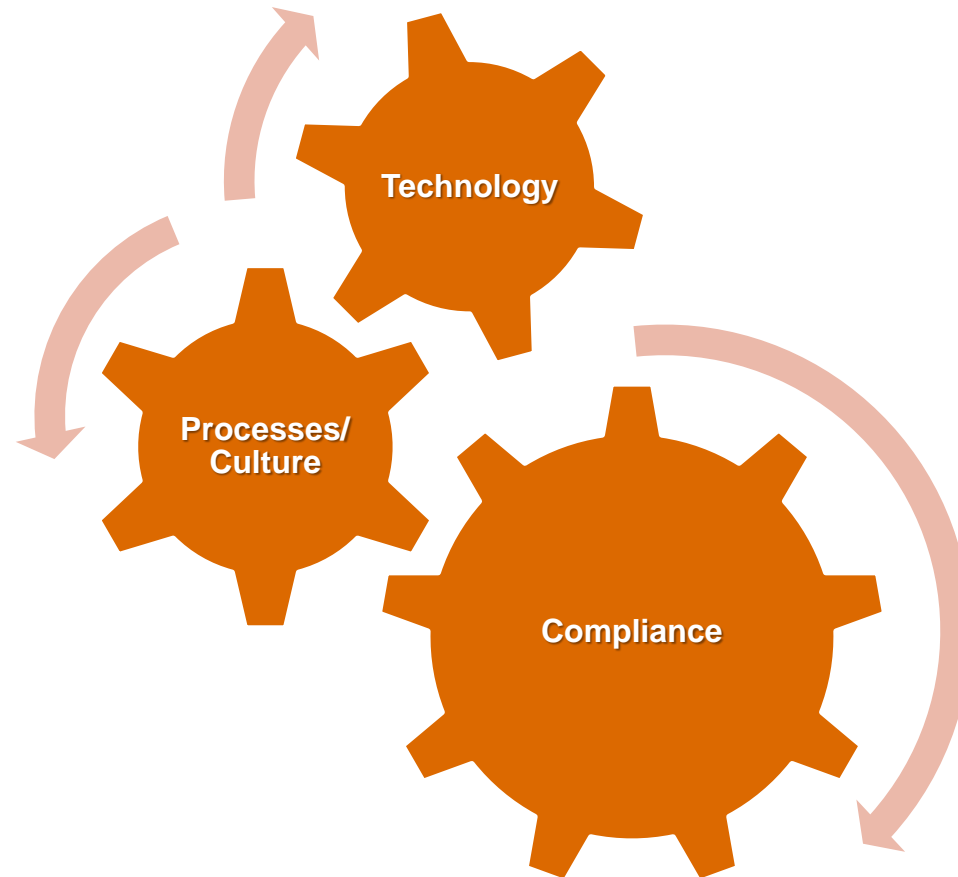
Conservative Framework – simplified check

Simple picture is not enough.

Is it signed? If yes, leave it on paper and digital copy use only for reference and business processing. Never discard original contract prematurely.

It is not signed? Is it going to be controlled? If yes, so make the digitalization via authorized conversion and store it the way that you can justify your audit trail.

Conservative Framework - Risk areas identification



Conservative Framework - Risks related to digitalization

- **Unstable legal environment (EIDAS, GDPR, EET etc.)**
- **Increased risk of data loss / leak in case of low security**
- **Increased risk of frauds in case of wrong design of processes and controls**
- Risk of technological change in organization
- Risk of cultural change in organization
- Risk of creating duplicate paper / digital solutions
- Issue of accountability for data in case of outsourcing
- Collecting digitized data can become compliance burden with privacy protection authorities

Conservative Framework - Accountability issue – outsourcing / data sharing

- Outsourcing anything to 3rd party is not releasing company from accountability of the data and their processing
- Most of the documentation requires up to 18 years archiving due to control/audit requirements (investment and subvention invoices for example)
- Some of the documents can be easily digitized and discarded in Czech republic, but some are nearly impossible without serious risk to the company (original signed paper contracts for example)

This is generating very strong need for establishing relationship with stable and reliable partner

Conservative framework - recommendations

- Make strong preparations and analysis before going digital
- Avoid hybrid solutions – do not create parallel processes
- Digitize as much processes as possible – avoid authorized conversions if possible
- Always check your solution with authorities (especially if you preparing discarding documents)
- Not everything can be legal converted and discarded
- Choose careful groups of documents for digitalization
- Choose strong partner for solutions

Trends - EIDAS

Regulation of European union 910/2014 about electronic identification and trusted electronic services/transactions. Replacing 1999/93/ES.

- Electronic Identity
- Electronic identification / Electronic signature
- Electronic seal (practical replacement for electronic mark)
- Electronic Timestamp
- Web authentication service
- Electronic delivery
- Trusted lists of service providers

Questions

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