

## Coughlin responds to PIPEDA

*Coughlin & Associates Ltd. has always been committed to principle of client confidentiality. Any private information we receive from our clients or their members is handled in a way that respects individual rights to privacy, safeguards their personal data and complies with applicable tax and other legislation. We regularly review and upgrade our privacy protection standards to protect civil liberties and conform to the law.*

*On January 1, 2004, the federal Personal Information Protection and Electronic Documents Act (PIPEDA) will become fully effective. The following outlines this new legislation and the steps Coughlin is taking to meet its privacy protection standards.*

PIPEDA is designed to provide a legal guarantee to all Canadian citizens that personal information collected and used by organizations is accurate, protected from theft, alteration, misuse or unauthorized disclosure to other parties, and has been obtained with the express consent of the individual. (Personal information includes a person's name, age, ID numbers (including the Social Insurance Number), ethnic origin, blood type, opinions, evaluations, social status, credit records, employment history, medical records, evidence regarding commercial disputes and his/her future intentions.) The act also provides the right for individuals to correct their private data or challenge the way it has been obtained, managed or disclosed.

PIPEDA attempts to provide privacy protection to Canadians by enshrining the following 10 principles. They are:

**1. Accountability.**

Organizations are responsible for the information they collect and are required to appoint an individual who will be accountable for ensuring their compliance with the law.

**2. Purpose.**

The purpose for collecting personal information must be communicated at the time information is collected.

**3. Consent.**

Express consent, preferably written, is required before personal information is collected, used or disclosed.

**4. Limited collection.**

Information that is collected must be limited only to the purposes required. Organizations cannot collect it for one purpose, then use it for another purpose. For example, information collected for a charity draw cannot then be used as a database to sell condominiums.

**5. Limited use, disclosure and retention.**

Personal data cannot be used, disclosed or communicated for any purpose other than for its original purpose. For example, an individual's tax records cannot be used for a loan application.

As well, personal information must be retained "only as long as necessary for the fulfillment of those purposes." After it has been used, it is to be destroyed.

**6. Accurate.**

All personal information must be accurate and kept up-to-date.

**7. Safeguards.**

PIPEDA requires that all information be physically protected and accessible only to those who need to have access to it.

**8. Openness.**

Organizations are expected to make private information readily available upon request and to disclose their privacy policies and practices.

**9. Individual access.**

Every individual has the right to access his/her personal information, challenge its accuracy and ensure that it is corrected.

**10. Challenging compliance.**

A person can challenge an organization's compliance to the above principles directly to the person designated by the organization to be accountable for the act. He/she can also direct that challenge to the Office of the Privacy Commissioner for investigation and enforcement if the privacy issue cannot be resolved.

According to the act, failure to comply could result in fines of up to \$100,000 per violation and potentially negative publicity.

For plan sponsors, as well as members of the financial services industry, PIPEDA could have a long-term impact on operations, both strategically and tactically.

As part of Principle 1, each organization governed by the act is required to appoint a privacy officer and develop mechanisms to comply with a privacy audit. To conform to this requirement, Coughlin & Associates Ltd. has established a *privacy team* to develop privacy policies on a company-wide basis and to conduct an inventory of *all* policies, procedures and forms to ensure that private information is being collected, stored and protected based on the PIPEDA legislation. This includes *external* (ie. public) applications, such as forms, customer service and telephone procedures as well as *internal* processes such as staff training and orientation programs and information systems and technology. It even includes a *physical* dimension such as the use of file cabinets and the exposure of personal information on employees' desks and other public areas.

## The Coughlin & Associates Ltd. action plan

As part of the review process, the Coughlin Privacy Compliance Committee (PCC) has established six broad objectives to comply fully with the new federal legislation.

The six objectives include the following:

### 1. Privacy audit compliance.

This consists of codifying our compliance work plan and appointing privacy officers at our Ottawa and Winnipeg offices to be resources for member inquiries.

2. **Client communication**, such as reviewing all forms, messages, correspondence and other materials containing members' private information to ensure it is secure.

3. **Reviewing our customer service protocols**, such as correspondence procedures, telephone skills and one-on-one interaction with members.

4. **A systems review** to ensuring that personal data is stored safely in encrypted files.

5. **Physical compliance** to confirm that our records retention and destruction policies meet PIPEDA standards. It also covers recent improvements to the physical security of Coughlin offices.

6. **Overall compliance** to PIPEDA's 10 basic principles.

Using these objectives as a compliance road map, the Coughlin PCC is implementing any changes necessary, keeping in mind that *Service Beyond Expectations*<sup>™</sup> to our clients and their members remains our number one priority.

Watch for more information on PIPEDA as it becomes available.

If you need more information about Coughlin & Associates Ltd.'s privacy policies and procedures, contact your consultant or Coughlin Privacy Officer at:

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