# **IOT AND BIG DATA RISKS**

Technology is the great disruptor of all industries, and now it is the financial services industry that is feeling the impact. Technology is transforming the way financial service providers operate as well as the services clients are looking for. BDO takes a proactive approach to exploring new business cases and technologies. We monitor the legislative landscape in which financial service providers operate and help clients find solutions. Using the knowledge and resources of our extensive international network, our specialists provide a wide variety of services to help clients focus on their core business and stay ahead of competitors.

Information technology is continuously evolving in fresh and innovative ways, providing businesses with the ability to streamline business processes, decrease operating costs and increase competitive advantage through digital disruption. Our knowledge of emerging technologies allows us to provide governance, risk and compliance assurance on an array of emerging technologies.

## INTEROPERABILITY AND INTERGRATION RISK

- IoT data with AI for actionable business insights.
- Integration with legacy devices

### **OPERATIONAL RISKS**

- Visibility and continuous monitoring of IoT that manage critical business processes
- Increased costs and scalability of data storage facilities
- Insufficient security awareness and training.

#### THIRD PARTY RISK

- Selection of appropriate vendors with robust risk management processes for big data storage
- Continuous evaluation of third party risk management processes

#### GOVERNANCE AND REGULATORY RISK

- Adhering to data privacy standards. (PoPI and GDPR)
- Ensuring data collected by IoT or other devices matches the business requirements.
- Gaps within roles, accountability, liability and responsibility of data management.















### DATA MANAGEMENT RISK

 Management large volumes of structured and unstructured data sets.

# IDENTITY AND ACCESS MANAGEMENT RISK

 Data integrity could be compromised as as result of breaches to IoT devices or data storage facilities.

#### BUSINESS CONTINUITY RISK

- Large volumes of data which require replication increase the size and costs of backup and recovery procedures.
- Availability of systems during updates

#### INFORMATION SECURITY RISK

- Insufficient monitoring of devices and systems to detect security events
- Security not being incorporated into the design of products and ecosystems
- Poor patch management practices result in exploitation of common vulnerabilities



FOR FURTHER INFORMATION CONTACT

Nevellan Moodley Partner and Head of Financial Services Technology nmoodley@bdo.co.za

