

EXECUTIVE SUMMARY

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# IAPP-EY Privacy Governance Report 2023

<https://t.me/learningnets>

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# Foreword

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## **Privacy governance has never been more crucial to the success of an organization than it is in 2023.**

While data privacy as a practice began in the 1970s and 1980s in the legal and policy realm, the technological advancements of recent decades necessitated a truly cross-disciplinary approach, with training, tools and wider professionalization across privacy law and policy, technology, business management, and design. Today, the privacy function is one of the most in-demand, prominent and mission-critical organizational functions. Its rise to such status was not unexpected, considering the increased circumstantial necessity and competitive advantages associated with good privacy governance in the modern data-driven economy.

But these are not halcyon days for the privacy function. The privacy function is contending with formidable challenges. The scale, velocity and variety of regulatory, technological and organizational change is unprecedented. The EU General Data Protection Regulation is now but one – albeit one very important – law. The proliferating alphabet soup of global privacy and privacy-relevant laws, combined with the advancement and integration of new technologies, such as artificial intelligence, add to the privacy work pile. The trend of organizations bringing the effective utilization of data closer to the core of their operating models is resulting in inter- and multidisciplinary privacy functions, which work across and feed into many other parts of the organization. Maturing, consequential public scrutiny and regulatory enforcement have heightened risk exposure. In today's economic climate, more work does not necessarily translate into larger budgets for privacy teams.

The IAPP-EY Privacy Governance Report 2023 builds on previous comprehensive efforts to shine a light on the location, performance and significance of privacy governance within organizations. For the first time, we explored organizational confidence when it comes to privacy governance and the drivers of those confidence levels. We shine a light on the increasingly important role of the data protection officer, as well as trending themes around privacy strategy, resourcing and budget. Crucially, the report also explores how privacy functions do more work and, invariably, do more with less. In doing more with less, we highlight the emergence and prevalence of privacy-enhancing technologies in privacy governance. These technologies, we expect, will not only grow in importance and use for privacy governance but will be increasingly underpinned by a more professional and standard privacy engineering community.

This year's survey generated instructive insights on how organizations are approaching the governance of AI. Some of those insights are included in the report. More will be shared in the IAPP-EY Professionalizing Organizational AI Governance Report later in the year.



**Joe Jones**  
Director of Research and Insights, IAPP

We are pleased and humbled to bring you this year's report. We would like to thank the hundreds of professionals who gave their time and responded to this year's survey. Your insights, expertise and lived experience help power and empower the privacy profession and privacy functions around the world. We hope this report makes a meaningful and positive impact on organizations' privacy governance. Our thanks also to the IAPP and EY teams that made this report not only possible but challenged themselves and others to make it expert and engaging.

As you delve into the report, we encourage you to take a moment to reflect on your own role in governing privacy within your respective organizations. Each one of us plays a vital part in shaping a future where the use of personal data thrives alongside a deep-rooted respect for privacy. Together, let us continue to advance the privacy field, navigating emerging laws, technologies and risks, so effective privacy governance is ingrained into every aspect of the way our organizations use personal data.



**Angela Saverice-Rohan**  
EY Global Privacy Leader



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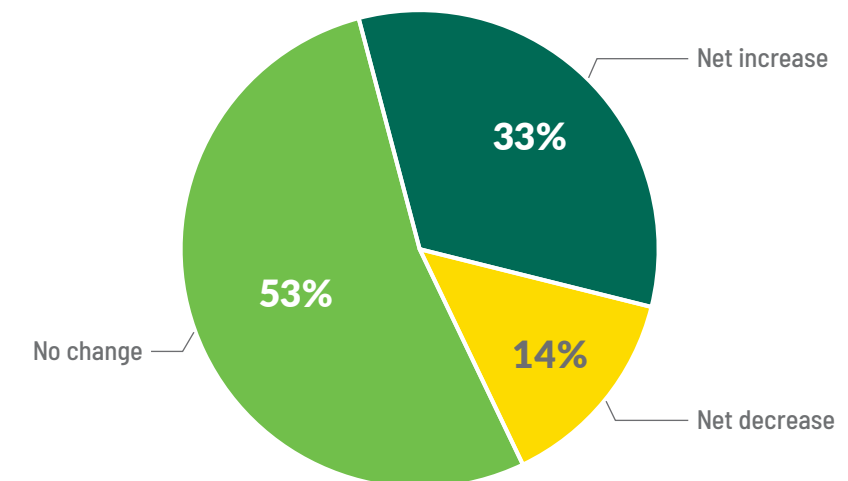
# Executive summary

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## Despite challenging economic conditions, 33% of organizations saw their privacy teams grow in the past year.

This investment reflects how the role of the privacy professional and privacy team has expanded and integrated into every facet of both day-to-day organizational operations and top-level strategic planning. Gone are the days when privacy was an insular workflow. Today, the privacy function is a beating heart for organizations, especially as they become more data-driven in the information economy. Of surveyed privacy pros, 86% reported regularly working with three or more teams within their organization. Decisions are being made at the top, with over 50% of those surveyed noting their reporting line goes directly to their company's C-suite and 78% responding that the most senior privacy leader is in the five highest levels of their organizations.

Privacy team changes in 2023




Information on privacy and privacy regulations is readily available, with just over 96% of respondents identifying that they are confident in their ability to stay informed about new privacy laws and policy initiatives. There is no question of privacy's importance nor does there seem to be a lack of information for those looking to deepen their own understanding of the field.

However, despite widespread recognition that adhering to global privacy regulations and standards is critical for success, fiscal headwinds and budgetary constraints threaten organizations' confidence in the efficacy of their privacy governance. Of respondents, 63% agreed that the limited availability of resources within their organization impacts their organization's ability to deliver on its privacy goals. The limitations were clearly outlined within survey responses, with 63% identifying that no recruitment is currently being undertaken and 67% indicating their budget is less than sufficient. To that end,

only two out of 10 of those surveyed reported they were totally confident in their organization's privacy law compliance. The paradigm of doing more with less is a clarion call for more investment and smarter ways of working. Investment in training and technology — like emerging PETs, which 70% of organizations have yet to implement — will grow with importance.

All of this is against a backdrop where getting privacy right or wrong has never been so consequential. An organization's ability to adapt and thrive is increasingly linked to the extent to which privacy is connected to their larger strategic plan. Consumers, increasingly aware of their rights to privacy, may choose to seek alternative products and services in the absence of appropriate protections. For those unable to keep pace and comply with proliferating and maturing privacy laws, we've seen multi-billion-dollar fines, consumer distrust, business-model fracturing and market shutouts.





Today, the privacy function is  
a beating heart for organizations,  
especially as organizations  
become more data-driven in  
the information economy.

The path forward is clear — it is becoming more essential for privacy governance to be elevated to, integrated with, and even become the governance of everything. We demonstrate not only why this is important to organizations, but what steps organizations are taking now and looking to take in the future to make a success out of privacy governance.



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*A note on statistical significance: Throughout this piece, the term "significant" is only used to denote figures that are statistically significant at a 95% confidence interval ( $p=0.05$ ). ↑ denotes a figure that is significantly higher than the rest of the sample, and ↓ denotes a figure that is significantly lower than the rest of the sample.*

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# Contacts

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