

Cloud payroll and human resources platform

Example Machining

Person in charge of the protection of personal information
Marc Example, Human Resources Director

Project
Cloud payroll and human resources platform

Project type
Acquisition or development of an information system

Date
September 25, 2026

Version
1

In-depth

Level of review

2

Findings

1 gap, 1 to confirm

0

Priority risks

high severity and likelihood

1

Vendors outside Québec

5

Measures

1 Purpose and scope

Example Machining, a manufacturer with 80 employees, is replacing the payroll software installed on an office computer with a cloud payroll and human resources platform supplied by a Canadian vendor. The project falls under the acquisition or development of an information system. Example Machining is undertaking it to run payroll and produce tax slips, to keep employee files, and to manage absences and performance reviews. The information will not be used for any purpose other than these.

This assessment covers the personal information about Example Machining staff that the platform will hold. That information includes identification details, financial details, health information and employment information. The assessment concerns fewer than 100 people. Because of the health, financial and identification information involved, the sensitivity of the information is considered high. The assessment is limited to the platform and the purposes described here. It does not address any other system or use of this information.

Under the fourth paragraph of section 3.3 of the LPRPSP, the assessment is proportionate to the sensitivity of the information, the purposes of its use, its quantity, its distribution and the medium on which it is stored. On those factors, this assessment is carried out at a high level of detail.

- LPRPSP: Act respecting the protection of personal information in the private sector (CQLR, c. P-39.1).

2 Personal information concerned

Information	Nature	Persons concerned
Social insurance number, date of birth and address	Identification	Staff
Salary, deductions and banking details	Financial	Staff
Reasons for absence and medical notes	Health	Staff
Performance reviews	Employment	Staff

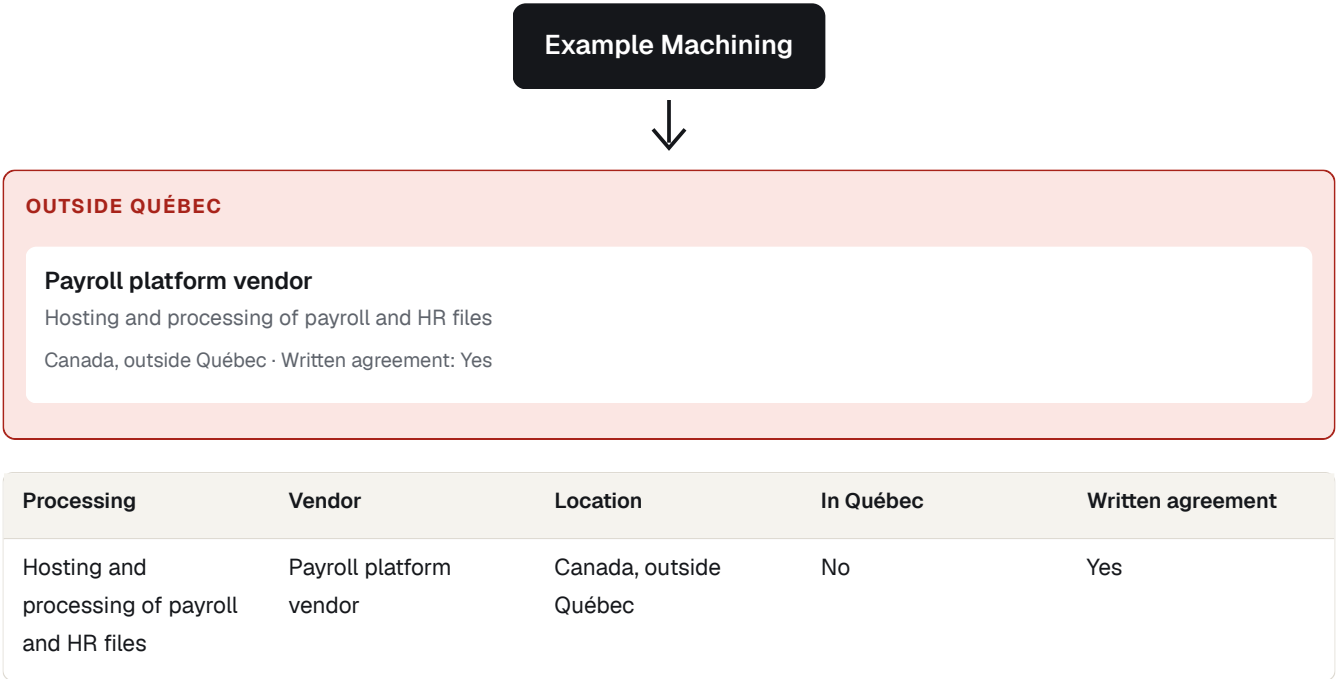
Factor (s. 3.3)	Finding
Sensitivity	high
Purpose	Run payroll and produce tax slips; Keep employee files; Manage absences and performance reviews
Quantity	Fewer than 100 persons
Distribution	At least one processing outside Québec
Medium	Cloud

3 Data flows

The personal information concerns the employees of Example Machining. It includes each employee's social insurance number, date of birth and address, as well as salary, deductions and banking details. It also covers reasons for absence with the related medical notes, and performance reviews. This information is entered into the cloud platform, where the vendor hosts and processes the payroll and human resources files. The vendor's servers are located in Ontario, so the information is processed in Canada but outside Québec. Example Machining has signed the vendor's standard contract, which serves as the written agreement with the vendor.

Within Example Machining, access to the information on the platform is limited to the staff who need it for their duties. No decision about employees is made exclusively by automated processing. The platform returns pay stubs, which employees view from their phones, and produces tax slips. Employees have not yet been informed of how their information is handled on the new platform.

No retention period has been defined for the information, and this remains to be confirmed. In particular, how long the vendor keeps the files of former employees has not been discussed with the vendor and remains to be confirmed.



4 Findings and risks

Findings

To confirm

LPRPSP, ss. 23 and 3.2

No retention period defined

Section 23 requires destroying or anonymising information once the purposes of its collection are achieved, and section 3.2 requires policies governing its retention and destruction.

Answer: does not know

Gap

LPRPSP, s. 8

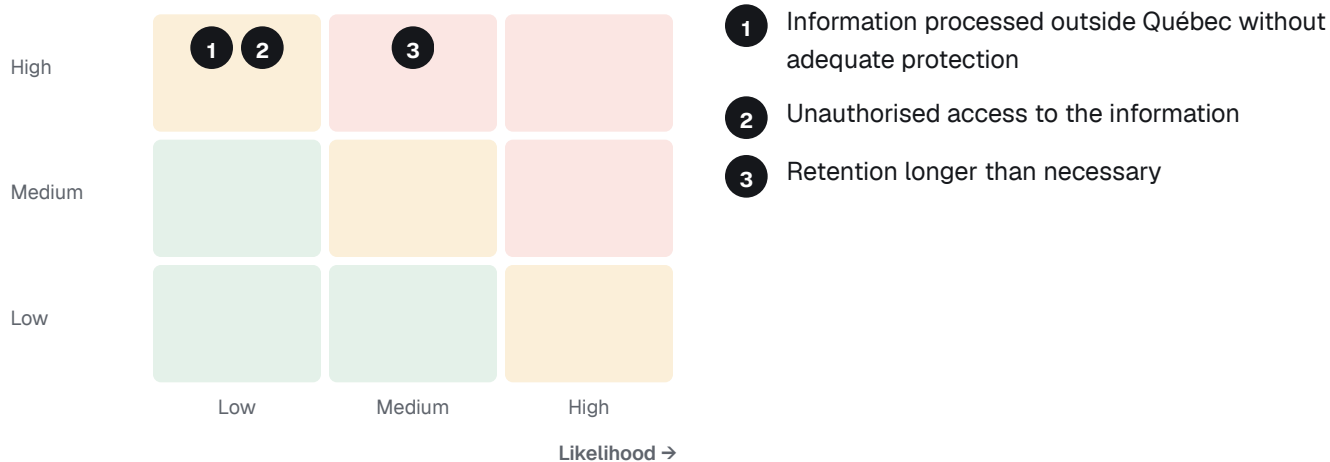
Persons concerned not informed

Section 8 requires informing the person concerned, when the information is collected, of the purposes, the means and their rights, and where applicable of the third parties it is communicated to and of the possibility that it be communicated outside Québec.

Answer: no

Risks

Severity ↑



#	Risk	Severity	Likelihood	Sections
1	Information processed outside Québec without adequate protection	high	low	LPRPSP, s. 17
2	Unauthorised access to the information	high	low	LPRPSP, ss. 20 and 10

#	Risk	Severity	Likelihood	Sections
3	Retention longer than necessary	high	medium	LPRPSP, s. 23

5 Communication outside Québec

Payroll platform vendor - Canada, outside Québec

Factor (s. 17)	Finding
1. Sensitivity of the information	high
2. Purposes of its use	Hosting and processing of payroll and HR files
3. Protection measures, including contractual ones	Written agreement: Yes
4. Legal framework of the State	Elsewhere in Canada, the private sector is governed by the federal act (PIPEDA) or by a provincial act recognised as substantially similar. These points describe the legal framework; they do not conclude that it is adequate.

The organisation's conclusion (to complete): section 17 allows the communication if the assessment establishes that the information would receive adequate protection, and requires a written agreement.

6 Measures adopted

The measures below follow from the characteristics of the project. For each one, the organisation states whether it is in place or planned, and who is responsible.

	In place	Planned	Responsible
Determine the purposes before collecting, and collect only the information necessary for them. LPRPSP, ss. 4 and 5	☐	☐	_____
Take reasonable security measures given the sensitivity, purposes, quantity, distribution and medium of the information. LPRPSP, s. 10	☐	☐	_____
Sign a written agreement with each vendor outside Québec that takes the results of this assessment into account. LPRPSP, s. 17	☐	☐	_____

	In place	Planned	Responsible
Inform the persons concerned, at collection, that their information may be communicated outside Québec. LPRPSP, s. 8	☐	☐	_____
Set out the procedure for confidentiality incidents, and record each incident in the incident register. LPRPSP, ss. 3.5 and 3.8	☐	☐	_____

7 Conclusion

The assessment produced two findings. First, no retention period has been defined for the information held on the platform. Second, the employees concerned have not been informed of how their information is handled. It also identified three risks, each of high severity given the sensitivity of the information. The most likely is that information is kept longer than necessary, which is rated as a medium likelihood. The other two are processing outside Québec without adequate protection and unauthorised access to the information, both rated as a low likelihood.

Some points remain to be confirmed. These include the retention period for the information and, in particular, how long the vendor keeps the files of former employees, which has not yet been discussed with the vendor. Example Machining adopts the five measures set out in this document to address the findings and risks identified.

This document was drafted from the organisation's answers. It applies the cited provisions to those answers and does not constitute legal advice. The organisation adopts it under the responsibility of its person in charge of the protection of personal information.

Adoption

The organisation adopts this assessment and the measures it sets out.

Name: Marc Example

Title: Human Resources Director

Date: _____

Signature: _____

Appendix: the organisation's answers

Question	Answer
Project type	Acquisition or development of an information system
Purposes	Run payroll and produce tax slips; Keep employee files; Manage absences and performance reviews
Use for a new purpose	No
Quantity	Fewer than 100 persons
Medium	Cloud
Retention period defined	Does not know
Access limited to staff who need it	Yes
Decision based exclusively on automated processing	No
Human review of the decision	No
Identification, location or profiling technology	No
Product offered to the public with privacy settings	No
Collection from minors under 14	No
Persons concerned informed	No
Communication in a structured format possible	Yes
Person in charge consulted from the start	Yes