LIA – Odoo system

Part 1: Purpose test

1. Why do you want to process the data?

We need to process a copy of production ERP data in a staging environment to test and validate software fixes, updates, and customisations. This ensures that changes function correctly and do not introduce errors before being deployed to the live system.

2. What benefit do you expect to get from the processing?

The primary benefit is improved system reliability and performance. It allows us to identify and resolve issues early, reduce downtime, and ensure that business-critical processes continue to operate smoothly.

3. Do any third parties benefit from the processing?

No external third parties benefit directly from the processing. The data subjects (e.g. customers or employees) do not receive a direct benefit, but they may experience indirect benefits such as improved service reliability. Internal stakeholders such as finance, operations, and customer service teams benefit from a stable and accurate ERP system.

4. Are there any wider public benefits to the processing?

Indirectly, yes. A well-functioning ERP system supports timely and accurate business operations, which can enhance service delivery to customers and maintain trust in our business practices.

5. How important are the benefits that you have identified?

The benefits are critical. Without this processing, there is a significant risk of deploying faulty updates, which could disrupt operations, lead to financial inaccuracies, or affect compliance with legal and regulatory obligations.

6. What would the impact be if you couldn't go ahead with the processing?

Inability to test with realistic data would increase the risk of undetected bugs and system failures. This could result in operational downtime, financial loss, and reputational damage.

7. Are you complying with any specific data protection rules that apply to your processing (e.g. profiling requirements, or e-privacy legislation)?

Yes. We ensure that data is processed in accordance with the UK GDPR, including

the principles of purpose limitation and security. While data minimisation and masking are not feasible in this context due to the need for realistic and complete datasets for accurate testing, we apply strict access controls, audit logging, and secure environments to mitigate risks. No profiling or marketing activities are involved, and the data is not used to make decisions about individuals.

8. Are you complying with other relevant laws?

Yes. We comply with applicable financial, tax, and governance laws that require accurate and reliable ERP operations. Testing changes before deployment supports compliance with these obligations.

9. Are you complying with industry guidelines or codes of practice?

Yes. We follow established internal procedures and industry-recognised best practices to manage and test changes to our systems. This helps ensure updates are properly reviewed, tested, and implemented with minimal risk to operations.

10. Are there any other ethical issues with the processing?

We have considered the ethical implications of using production data in a staging environment and determined that the processing is proportionate and justified given the technical requirements. While data masking is not applied due to the need for complete and realistic datasets for accurate testing, we implement strong safeguards to protect individuals' privacy. These include strict access controls, secure environments, and comprehensive audit logging. The data is not used to make decisions about individuals, and all processing is conducted in line with our data protection obligations.

1. Will this processing actually help you achieve your purpose?

Yes. Using a copy of production data in a staging environment is essential to accurately test and validate system changes. It allows us to identify and resolve issues that would not be apparent with synthetic or incomplete data, ensuring the reliability and integrity of the ERP system.

2. Is the processing proportionate to that purpose?

Yes. The processing is limited to what is necessary to achieve the purpose of realistic testing. Although the full dataset is used, it is done within a secure, access-controlled environment, and the data is not used for any purpose beyond testing system functionality.

3. Can you achieve the same purpose without the processing?

No. Synthetic or anonymised data does not replicate the complexity, relationships, and edge cases present in real production data. Without this processing, we would risk deploying untested or faulty changes, which could disrupt business operations.

4. Can you achieve the same purpose by processing less data, or by processing the data in another more obvious or less intrusive way?

No. Due to the integrated nature of ERP systems and the interdependencies between modules, partial datasets or masked data would compromise the validity of testing. The full dataset is required to ensure that all scenarios, including rare or complex ones, are properly evaluated.

Part 3: Balancing test

Nature of the personal data

1. Is it special category data or criminal offence data?
Yes. The dataset includes special category data, specifically non-medical health-related information provided by individuals in the context of workplace adjustments. This data is processed solely for testing system functionality and is not used to make decisions about individuals. No criminal offence data is processed.

2. Is it data which people are likely to consider particularly 'private'?
Yes. Non-medical health-related information is considered particularly private. We recognise the sensitivity of this data and apply strict safeguards to ensure it is protected during processing in the staging environment.

3. Are you processing children's data or data relating to other vulnerable people?
No. The data does not include information about children or individuals considered vulnerable in the context of this processing. The individuals are working professionals who have voluntarily provided information for workplace adjustments.

4. Is the data about people in their personal or professional capacity?
The data relates to individuals in a professional capacity. However, some of the information (e.g. health conditions) pertains to their personal circumstances and is therefore treated with heightened sensitivity.

Reasonable expectations

1. Do you have an existing relationship with the individual?
Yes. The individuals are external customers who have engaged with our services and provided personal data as part of that relationship.

2. What's the nature of the relationship and how have you used data in the past?
The relationship is commercial. We have used their data to deliver services, manage customer accounts, and support operational processes. Data has always been used in line with contractual obligations and privacy notices.

3. Did you collect the data directly from the individual? What did you tell them at the time? (Note please review we can say this on the basis the policy is being updated)
Yes. The data was collected directly from customers during onboarding, service registration, or support interactions. At the time of collection, customers were informed that their data would be used to provide and support the services they requested, including operational and administrative purposes.

4. If you obtained the data from a third party, what did they tell the individuals about reuse by third parties for other purposes and does this cover you?

Not applicable. All data used in the ERP system was collected directly from the customers.

5. How long ago did you collect the data? Are there any changes in technology or context since then that would affect expectations?

The data is collected on an ongoing basis as part of customer interactions. There have been no significant changes in technology or context that would alter customers' expectations regarding internal use of their data for service maintenance and improvement.

6. Is your intended purpose and method widely understood?

Yes. It is standard practice in service-based industries to test system changes in a controlled environment before deployment. Customers would reasonably expect that their data may be used internally to ensure the reliability and accuracy of the systems that support their services.

7. Are you intending to do anything new or innovative?

No. The processing is routine and operational in nature. It involves standard testing procedures to ensure the ERP system functions correctly after updates or customisations.

8. Do you have any evidence about expectations – e.g. from market research, focus groups or other forms of consultation?

No formal research has been conducted, but our practices are consistent with industry norms and customer expectations for responsible data handling in operational systems.

9. Are there any other factors in the particular circumstances that mean they would or would not expect the processing?

Given the nature of the services provided and the operational role of the ERP system, customers would reasonably expect that their data may be used internally to support system maintenance and testing, provided that appropriate safeguards are in place.

Likely impact

1. What are the possible impacts of the processing on people?

The main potential impact is the risk of unauthorised access to personal or sensitive data, particularly health-related information. If not properly safeguarded, this could lead to a loss of privacy or distress for individuals.

2. Will individuals lose any control over the use of their personal data?

To some extent, yes — individuals are not directly involved in or notified about the use of their data in the staging environment. However, the data is not used to make decisions about them, and it remains within the scope of the original purpose (i.e. supporting service delivery and system integrity).

3. What is the likelihood and severity of any potential impact?

The likelihood is low due to the strong technical and organisational controls in place. However, if a breach were to occur, the severity could be moderate to high, especially for individuals whose data includes special category information. This is why we apply strict safeguards.

4. Are some people likely to object to the processing or find it intrusive?

It is unlikely, provided the processing remains internal, secure, and aligned with the original purpose for which the data was collected. However, some individuals may consider the use of their sensitive data in a non-live environment intrusive if they are unaware of the safeguards in place.

5. Would you be happy to explain the processing to individuals?

Yes. We are confident that the processing is lawful, proportionate, and necessary. We would be prepared to explain the purpose, safeguards, and rationale to individuals if required, and we are transparent about our data handling practices in our privacy notices.

6. Can you adopt any safeguards to minimise the impact?

Yes. We have implemented the following safeguards:

- Access is restricted to authorised personnel only.
- The staging environment is isolated from production and secured.
- All access and activity are logged and monitored.
- Data is not used for profiling, marketing, or decision-making.
- Regular reviews are conducted to ensure continued compliance and necessity.

Can you offer individuals an opt-out?	Yes

Making the decision

Can you rely on legitimate interests for this processing?	Yes

Do you have any comments to justify your answer? (optional)

In this context, data minimisation and masking are not feasible due to the technical and operational requirements of the ERP system testing process. The purpose of the staging environment is to replicate the production environment as closely as possible to ensure that:

- Customisations and updates behave as expected across all modules and data relationships.
- Complex workflows, edge cases, and data dependencies are accurately tested.
- Financial, operational, and compliance-related processes are validated under realistic conditions.

Anonymised or synthetic data would not provide the necessary complexity, integrity, or interconnectivity required for effective testing. For example:

- Certain modules rely on real transactional histories, customer/vendor relationships, or audit trails.
- Data masking could break referential integrity or lead to false positives/negatives in test results.
- Some issues only surface under real-world data volumes and patterns.

To mitigate risks, we implement robust safeguards including:

- Strict access controls and role-based permissions.
- Isolated and secure staging environments.
- Logging and monitoring of all access and activity.
- No use of the data for profiling, marketing, or decision-making about individuals.

This approach ensures that while minimisation is not technically viable, the processing remains proportionate, secure, and aligned with the principles of the UK GDPR.

LIA completed by	███████████
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