

Controls and compliance checklist

Controls assessment checklist

| Yes | No | Control |
|-------------------------------------|-------------------------------------|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Least Privilege |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Disaster recovery plans |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Password policies |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Separation of duties |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Firewall |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Intrusion detection system (IDS) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Backups |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Antivirus software |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Manual monitoring, maintenance, and intervention for legacy systems |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Encryption |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Password management system |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Locks (offices, storefront, warehouse) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Closed-circuit television (CCTV) surveillance |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Fire detection/prevention (fire alarm, sprinkler system, etc.) |

Compliance checklist

Payment Card Industry Data Security Standard (PCI DSS)

| Yes | No | Best practice |
|--------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Only authorized users have access to customers' credit card information. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Credit card information is stored, accepted, processed, and transmitted internally, in a secure environment. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Implement data encryption procedures to better secure credit card transaction touchpoints and data. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Adopt secure password management policies. |

General Data Protection Regulation (GDPR)

| Yes | No | Best practice |
|-------------------------------------|-------------------------------------|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | E.U. customers' data is kept private/secured. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | There is a plan in place to notify E.U. customers within 72 hours if their data is compromised/there is a breach. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Ensure data is properly classified and inventoried. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Enforce privacy policies, procedures, and processes to properly document and maintain data. |

System and Organizations Controls (SOC type 1, SOC type 2)

| Yes | No | Best practice |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | User access policies are established. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Sensitive data (PII/SPII) is confidential/private. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Data integrity ensures the data is consistent, complete, accurate, and has been validated. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Data is available to individuals authorized to access it. |

Botium Toys faces a high security risk, rated 8 out of 10, stemming from inadequate asset management, the absence of critical security controls, and failures in compliance. It is crucial to immediately implement a robust asset management program, identifying and classifying all company resources to understand the impact of potential losses. Additionally, formal user access policies must be developed and enforced, which is a fundamental requirement for SOC compliance.

To mitigate risks, data protection and access controls must be significantly strengthened. This involves implementing the principle of least privilege and separation of duties to restrict the current broad employee access to internal data, which may include sensitive cardholder information and PII/SPII. A centralized password management system should be adopted, and password policies must be updated to meet current minimum complexity requirements with those passwords being stored after a hashing encryption. Encryption of sensitive data, especially customer credit card information during all stages, is a critical measure for compliance and for safeguarding PII/SPII and E.U. customers' data.

Finally, the company must enhance its threat management and incident preparedness capabilities by deploying an Intrusion Detection System (IDS) and by developing comprehensive disaster recovery plans and regular critical data backup routines, which are currently lacking. There needs to be a renewed focus on adhering to compliance standards such as PCI DSS—ensuring restricted access to and security of cardholder data—and GDPR—ensuring the privacy and proper classification of E.U. customer data. Furthermore, the management of legacy systems requires formalization through a regular maintenance schedule and clearly defined intervention methods.