

Boardroom Questions

Cyber security – what does it mean for the Board?

Cyber risk is an everyday business consideration in the same way that threats in the real world always have been



Investors, governments and regulators are increasingly challenging board members to actively demonstrate diligence in this area. Regulators expect **personal information to be protected** and systems to be resilient to both accidents and deliberate attacks

Business pressures : why companies should consider reviewing their strategy



Pressure to find **new customers** and compete with existing and newly **emerging competitors** means many companies are leveraging digital technology and **introducing new systems exposing the company to data risks**



A mutating threat landscape where a increasing range of highly professional **attackers are innovating faster than many businesses can improve their defences**



Restoring trust and minimizing **reputation damage** is key for many industries – a data breach could affect trust, reputation and **share price**

Potential impact and possible implications for Boards



Intellectual property losses including patented and trademarked material, client lists and commercially sensitive data



Reputational losses causing your market value to decline; loss of goodwill and confidence by customers and suppliers



Penalties, which may be legal or regulatory fines for data privacy breaches and customer and contractual compensation for delays



Time, lost due to investigating the losses, keeping shareholders advised and supporting regulatory authorities (financial, fiscal and legal)



Property losses of stock or information leading to delays or failure to deliver



Administrative resource to correct the impact such as restoring client confidence, communications to authorities, replacing property and restoring the organization business to its previous levels

Board level awareness



Board level awareness of emerging cyber threats and direct involvement in determining the response is critical. Threat intelligence can help organizations become more proactive, focused and preventative to take control of cyber risk in a unique and positive way. Asking the questions below, can help leaders quickly identify gaps in the current cyber security strategy and encourage an organization-wide approach to securing the future of their business

- How do we move from **reacting to anticipating** cyber attacks?
- How do we put the cyber threats we face into **business context**?
- How do we **demonstrate the return on investment** of our cyber security measures?
- When was the cyber threat **last examined** by the Board?
- Is cyber part of the Board's **strategy discussions**?
- Does our **CIO know when to act** and are they empowered to do so? Has it been effective?

Boardroom Questions

- Who in our organization is **responsible** for cyber security issues?
- What are **our key information assets**?
- Do we fully understand our **current vulnerabilities**?
- What is our **risk appetite**?
- Do any of our **supply chain partners** put us at risk?
- Does my **organization** meet all of its obligations for information assurance?
- Do we meet the information security requirements to bid for **government contracts**?
- What **processes** do we have in place to deal with cyber threats?
- Are our **competitors** ahead of us? If so, does this give them an **advantage**?

Questions for Senior Management

- What should our **response** be?
- How **effective** has our response been?
- What do you **know** about the people/organizations responsible for the attacks and how do they operate?
- Are there any **patterns** regarding cyber attacks that make our information and assets more **vulnerable** at certain times?
- Who should we be **sharing threat intelligence** with and how?
- How do we establish an effective Security Operation Center?
- How can we use security as a business enabler?

What actions could the Board consider?

At KPMG we work with clients to protect their whole organization not just their IT systems. We work with them to deliver a strategy that is more than just security. Combining people, privacy, information governance and business resilience KPMG offers an organisation-wide approach to doing business in the digital world. Using our Cyber in the Boardroom methodology member firms work with Boards to understand the risks they face and the impact on their strategic plans and day-to-day operations.

KPMG's Cyber Maturity Assessment (CMA) provides an in depth review of an organization's ability to protect its information assets and its preparedness against cyber-crime, looking at:

- Leadership & Governance
- Human Factors
- Information Risk Management
- Business Continuity
- Operations & Technology
- Legal & Compliance

If you want to know more, contact



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