

Directors Losing Confidence in Identifying Cyber Threats



New PwC report finds a mixed bag of cyber readiness among directors.

By Eve Tahmincioglu

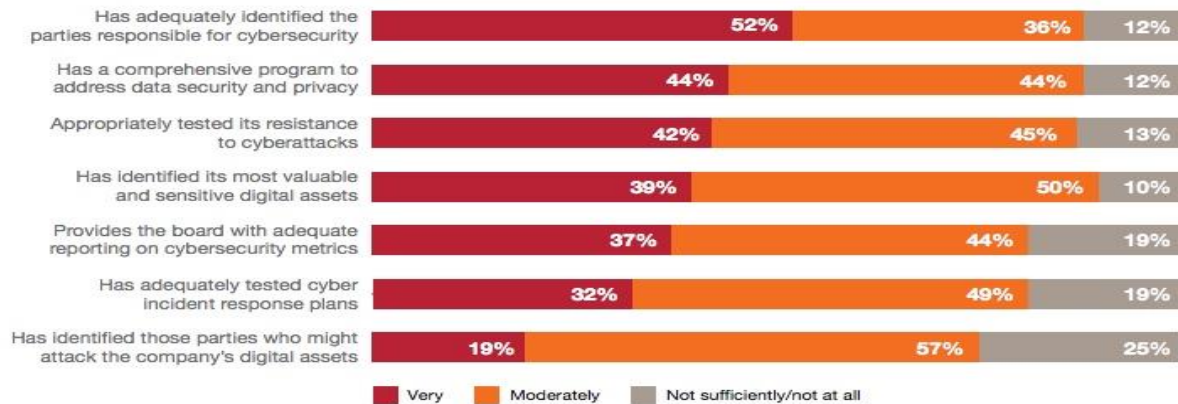
At a time when massive cyber breaches such as the Equifax hack that led to exposing 145 million users' personal information, the confidence among directors overseeing U.S. corporations that they are ready for a breach is shaky.

One-quarter of directors say they have no idea who might even attack their company's assets, up from five percentage points from last year, according to a recently released survey from PwC.

But the news wasn't all bad.

"After years of attention in this area, the good news is that directors report that their companies are making improvements in cybersecurity readiness," states PwC's 2017 Annual Corporate Directors Survey, which polled nearly 900 directors at public companies.

Companies' cybersecurity readiness



Q20: How comfortable are you that your company:
Base: 842-849
Source: PwC, 2017 Annual Corporate Directors Survey, October 2017.

- Directors are most confident that their company has identified its most valuable and sensitive digital assets, and has identified the right parties responsible for cybersecurity. Eighty-nine percent and 88% of directors, respectively, are at least moderately confident in each of these areas. These numbers improved over last year, when 80% and 81% of directors, respectively, said the same.

Given the importance of cybersecurity today, the directors polled are largely in agreement that they need more digital expertise in the boardroom.

- Less than one-fifth of directors are satisfied with the current levels of expertise on their boards.
- Only 19% say they have enough IT/digital expertise and don't need more and only 16% say the same about cybersecurity.

While bringing in more tech-savvy directors is often seen as the best option, bolstering the cyber knowledge of existing board members, no matter what age, is also important.

"We have to raise the existing boards members' digital competency," says Bob Zukis, a technology consultant, senior fellow with The Conference Board Governance Center and adjunct professor of Management and Organization, Marshall School of Business, University of Southern California. "It demands regular board attention from a risk standpoint, but more importantly, from the strategic opportunity standpoint – how technology creates and captures value."