

## News release

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### **Global companies in a hurry to adopt new technologies and media, leaving threats to security as an afterthought**

- 72% of respondents see increasing risk-level due to external threats
- 80% likely to adopt mobile tablet use but security implementation remains low
- Cloud computing is top security funding priority for the coming 12 months

*Bratislava, 3 January 2012:* In the rush to “digitize” their businesses with new technologies and move into the increasingly borderless world of cloud computing and social media, global organizations are encountering a growing gap between the needs of business and the capacity to deal with new and complex security threats, according to Ernst & Young’s 14<sup>th</sup> annual *Global Information Security Survey*. The survey of 1,700 organizations worldwide found that 72% of respondents are aware of an increasing level of risk due to increased external threats. At the same time, however, only about a third of respondents have updated their information security strategy in the past 12 months.

With 80% of organizations currently using or considering using mobile tablets and 61% using or considering the use of cloud computing services within the next year, the threat of breaches to security has become an afterthought in the rush to adapt to the rapidly changing landscape.

The situation in computer-related crime is alarming. According to the most recent reports from [uscollegeresearch.org](http://uscollegeresearch.org) as of June 2011, about 65 percent of global Internet users had been the victims of cyber criminals. Moreover, the FBI reported that in 2011 it received more than 350,000 complaints related to computer crime. However, this data must be assessed taking into consideration that the majority of cyber crimes go unreported. Lukáš Neduchal, Senior Manager of the IT Risk & Assurance Department at Ernst & Young, Slovak Republic, comments: *“The rapid development of information technologies has been reflected in all functions. As companies become increasingly dependent on the flawless functioning of information technologies, there is an increased demand for protection of these technologies.*

*This requirement is all the more important because cyber crime is frequently linked with organized crime.”*

Jan Fanta, Partner in the Business Advisory and Risk Management Department of Ernst & Young in the Czech Republic and Slovakia, comments on the results of the survey: *“More and more major businesses and industries are being run on software and delivered as online services. Data is everywhere. Confronted with shrinking borders, cloud services and business models in the cloud, companies are asking how they should respond to the new and emerging risks and whether their strategy needs to be revisited. The focus needs to move from short-term fixes to a more holistic approach integrated with long-range strategic corporate goals.”*

### **Funding**

It is encouraging that 59% of respondents plan on increasing their information security budgets in the coming 12 months. However, only 51% of respondents stated that they have a written information security strategy.

Respondents named cloud computing as their top information security funding priority for the coming 12 months. Overall, for the second consecutive year, respondents indicated that business continuity is their top funding priority.

### **Mobile tablets**

The adoption of tablets and smartphones ranked second on the list of technology challenges perceived as most significant, with more than half of respondents listing it as a difficult or very difficult challenge. Policy adjustments and various awareness programs are the top two measures used to address the risks posed by this new mobile technology. However, the adoption of security techniques and software remains low. For instance, encryption techniques are used by fewer than half (47%) of the organizations.

### **Building trust in the cloud**

Despite the compelling rationale for cloud adoption, many organizations are still unclear of the implications of cloud and are increasing their efforts to better understand the impact and the risks. In 2011, 48% of respondents listed the implementation of cloud computing as a difficult or very difficult challenge, and more than half have not implemented any controls to mitigate the risks associated with cloud computing. The measure most frequently taken is greater oversight

of the contract management process with cloud providers, but even this only applies to 20% of respondents, indicating a high and possibly misplaced level of trust.

Lukáš Neduchal explains: *“In the absence of clear guidance, many organizations appear to be making ill-informed decisions, either moving to the cloud prematurely without due consideration of the associated risk, or avoiding it altogether.”*

Although many organizations have moved to the cloud, many have done so reluctantly. Almost 90% of respondents are in favour of external certification, with nearly half (45%) saying this should be based only on an agreed-upon standard.

*“Whilst there are alliances working toward this goal, it is not enough to rely on external entities to address all of the risks associated with cloud computing”, says Jan Fanta. “These risks can represent a significant change to the way an organization operates and must be managed by formal enterprise and IT risk management procedures.”*

## **Social media**

Most respondents (72%) claimed that external malicious attacks represented their top risk. These attacks may be fuelled by information acquired through the use of social media that was used to send targeted phishing messages to targeted individuals.

To help address potential risks posed by the social media, organizations appear to be adopting a hard-line response. More than half (53%) have responded by blocking access to sites rather than embracing the change and adopting enterprise-wide measures.

## **Top level priority**

The survey shows that only 12% of respondents are likely to present information security topics at board meetings and fewer than half (49%) of our survey respondents stated that their information security function meets the needs of the organization.

Jan Fanta explains: *“A pragmatic and pro-active response is required rather than a reactive one. Information security needs to have a greater presence in the board room, with a clearly defined strategy supporting the business in the cloud and elsewhere. Most companies still have a long way to go in order to make this a reality.”*

Jan concludes: *“In order to effectively manage IT risks in general, organizations need to gain a broad and comprehensive view of the entire IT risk landscape. This holistic perspective will provide companies with a starting point to help identify and manage current IT risks and challenges, as well as others that may evolve over time.”*

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**About Global Information Security Survey**

The 14th annual Ernst & Young Global Information Security Survey was conducted between June and August 2011. Nearly 1,700 organizations took part across 52 countries. The survey results were mainly collected in face-to-face interviews with the executives responsible for information security. The organizations involved represented all the major industries.

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