

Press release

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Rush to adopt new technologies and media by global companies leaving security threats as an after-thought

- **72% of respondents see an increasing level of risk due to external threats**
- **80% likely to adopt mobile tablet usage yet security implementation still low**
- **Cloud computing is a top security funding priority for the coming 12 months**

Luxembourg, 15 November 2011 - 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 developing a growing gap between business needs and the ability to tackle new and complex security threats, according to Ernst & Young's 14th annual *Global Information Security Survey* just released.

The survey of 1,700 organizations worldwide, among which 37 respondents from Luxembourg, globally found that 72% of respondents are seeing an increasing level of risk due to increased external threats. These results are in line with the fact that two thirds 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 security breaches has become an after-thought in the rush to adapt to the rapidly changing landscape.

Paul van Kessel, Ernst & Young Global IT Risk and Assurance Leader, comments: "More and more major businesses and industries are being run on software and delivered as online services. Data is everywhere. Confronted with diminishing borders, cloud services and business models in the cloud, companies are asking themselves how to respond to new and emerging risks and whether their strategy needs to be revisited."

"The focus must 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 worldwide and 53% of respondents in Luxembourg plan on increasing their information security budgets in the coming 12 months. However, only 51% of worldwide respondents and 52% of Luxembourg respondents stated that they have a documented 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 have indicated that business continuity is their top funding priority.

Mobile tablets

Worldwide, the adoption of tablets and smartphones ranked second-highest 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 awareness programs are the top two measures used to address risks posed by this new mobile technology. The adoption of security techniques and software, however, is still low. For instance, encryption techniques are used by fewer than half (47%) of the organizations.

Building trust in the cloud

Despite the compelling story 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 worldwide and 42% of respondents in Luxembourg 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 most frequently taken measure worldwide is stronger oversight on the contract management process with cloud providers, but even this is only done by 20% of worldwide respondents, indicating a high and possibly misguided level of trust. The Luxembourg market differs since the most frequent measure taken is data encryption (15% of respondents).

“In the absence of clear guidance, many organizations seem to be making ill-informed decisions, either moving to the cloud prematurely and without appropriately considering the associated risk, or avoiding it altogether. Although many organizations have moved to the cloud, many have done so reluctantly.”

Almost 90% of respondents worldwide and 67% of Luxembourg respondents are in favor of external certification. Nearly half (45%) of worldwide respondents 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 Van Kessel. “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 were their top risk. These attacks may be fuelled by information obtained through the use of social media that was used to send targeted phishing messages to targeted individuals.

To help address potential risks posed by social media, organizations seem to be adapting a hard-line response. More than half have responded by blocking access to sites rather than embracing the change and adopting enterprise-wide measures. The Luxembourg market is in line with these trends.

Top level priority

The survey shows that only 12% of respondents are presenting information security topics at each board meeting and less than half of our survey respondents stated that their information security function is meeting the needs of the organization. Luxembourg respondents are perfectly aligned with these results.

Van Kessel concludes: “A pragmatic and pro-active response rather than a reactive one is required. Information security needs to be more visible in the board room with a clearly defined strategy that will support the business in the cloud and elsewhere. Most companies still have a long way to go to make this a reality.

“In order to effectively manage IT risks in general, organizations need to get 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 those that may evolve over time.”

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Notes to editors:

Ernst & Young's 2011 *Global Information Security Survey* was conducted between June and August 2011. Nearly 1,700 organizations in 52 countries and across all major industries participated.

Global Information Security Survey in Luxembourg

Ernst & Young Luxembourg has organized an event for the entities which have responded to the GISS this year. The event was held on 15 November in Munsbach and covered the global trends as well as the local findings of the survey. Discussion topics were organized around cloud computing, social media as well as mobile computing.

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