Cyber (in)security

Hartaj Nijjar, Partner, Cyber Security, KPMG in Canada
416-228-7007 | hnijjar@kpmg.ca

Cyber security is a relentless (and growing) concern for Canadian organizations. Amid headlines of escalating attacks and the urgency to adopt new technologies, CEOs are becoming acutely aware of the virtual threats at their doorstep. For nearly two-thirds (60 percent) of CEOs, it is not a matter of ‘if’ they will have to defend their digital borders against a cyber attack, but ‘when’. This represents a 10 percent increase from the 2018 Canadian results and a noticeable uptick over the 53 percent of Global CEOs who are also bracing for the inevitable.

The fact Canadians are more anxious about cyber risks than their global peers is telling. It points to the idea that Canadian organizations are now reaching a point in their digital maturity that exposes them to cyber risks other countries like the US, UK, and China have had a head start in navigating. It also helps explain why only 59 percent of Canadian CEOs feel well prepared for a future cyber attack, a decrease of 7 percent over 2018, while 68 percent of their Global peers who have had more time to adapt to new technologies and related threats express a high degree of confidence.

A competitive disadvantage

With more significant cyber security concerns comes greater respect for the role of information security. A majority of Canadians (64 percent) view information security as a key strategic function and source of competitive advantage (Global 71 percent). However, there is an important distinction. In conversation with our clients, many view their investments in cyber security as less about generating tangible benefits and more about avoiding a severe competitive disadvantage in an increasingly digital landscape.

New and evolving data regulations are also keeping cyber in the spotlight. The European Union’s General Data Protection Regulation (GDPR) has brought greater scrutiny and restrictions around the use and protection of European citizen’s data, while Canada’s own Personal Information Protection and Electronic Documents Act (PIPEDA) is increasing pressure on Canadian firms to bolster their cyber defenses or face stiff financial penalties and considerable harm to their brand.

If there is an underlying story from this year’s statistics, it is that Canadian firms are closing in on their more tech-savvy competitors. And as domestic players continue to bring artificial intelligence, blockchain, ‘big data’ analytics, and other disruptive tools into their operations, they are becoming increasingly aware of the cyber threats and pitfalls that come with them.

Aligning defenses

Navigating those risks remains a key challenge moving forward. Yet despite confidence in their ability to protect against cyber attacks, Canadian organizations struggle to define and implement effective First and Second Lines of Defense. Security practitioners, risk managers, and regulatory bodies are not consistently aligned on the practical implementation of cyber risk oversight, and the resulting ambiguity is making it difficult to lock-in on reliable strategies.
To be sure, there is no ‘silver bullet’ for cyber security. Finding a solution (or patchwork of solutions) that fits requires Canadian CEOs to take stock of their most valuable digital assets (the ‘digital crown jewels’), analyze their specific threat landscape, and keep a constant watch on cyber trends. Only then can they direct their teams to embed the most appropriate controls, training, and emergency response to keep their data, intellectual property, and critical virtual assets under digital lock and key.

How prepared is your organization for a future cyber attack:

- **PREPARED**: 59%
- **NEUTRAL**: 27%
- **NOT PREPARED**: 15%

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- 64% view information security as a strategic function and source of competitive advantage
- 71% believe becoming the victim of a cyber attack is a case of ‘when’ and not ‘if’
- 69% consider a strong cyber strategy as critical to engendering trust with stakeholders
- 53% view cyber security as a significant cause for concern

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