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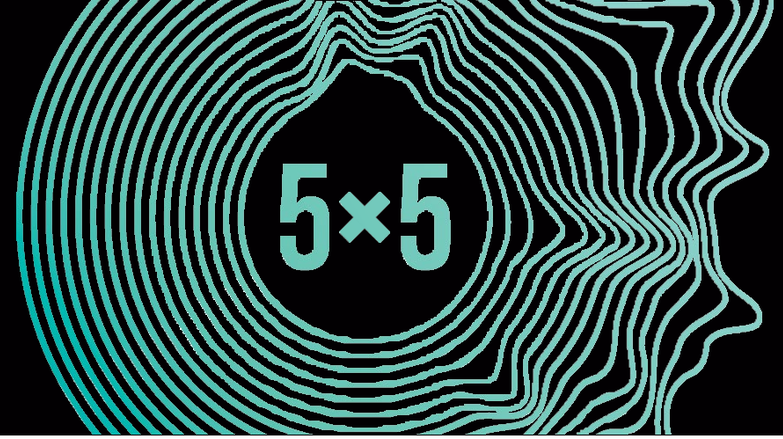
Internal audit's role in cybersecurity

Internal audit megatrends | 5x5: Insights and actions



Today's internal audit (IA) teams and chief audit executives (CAEs) have a lot on their plate as they work to navigate the growing complexities within the cyber environment. Aside from rapidly growing systems, interconnected regulations, and increased risks—worldwide cybercrime costs are estimated to hit $10.5 trillion annually by 2025[1]. As organizations find difficulty in being able to keep pace with attacks, many are bolstering their defenses, which go far beyond the chief information and security officer and their offices. CAEs are now relied upon to provide an independent and objective assessment of their organization's cyber risk management practices and capabilities. In response, many are transforming their traditional audit and assurance role by further educating themselves and building more tech-savvy teams to join the cybersecurity fight. For organizations looking to introduce initiatives or boost efforts around cybercrime and cybersecurity, here are five insights to consider and five actions you can take.

[1] Why we need global rules to crack down on cybercrime accessed Jan 2, 2023, <https://www.weforum.org/agenda/2023/01/global-rules-crack-down-cybercrime/#:~:text=Cybercrime%20is%20big%20business.,%2410.5%20trillion%20annually%20by%202025>

5 insights you should know

Boards and stakeholders **are asking more questions about cyber risks**, including types of attacks, current cybersecurity capabilities, protection strategies, damage possibilities, and how to **best evaluate the effectiveness of their organization's cybersecurity program.**

Board members and senior leaders want confidence in the security of their assets and a better understanding of how cyber events might disrupt the business—and they are increasingly **looking to CAEs to provide this assurance.**

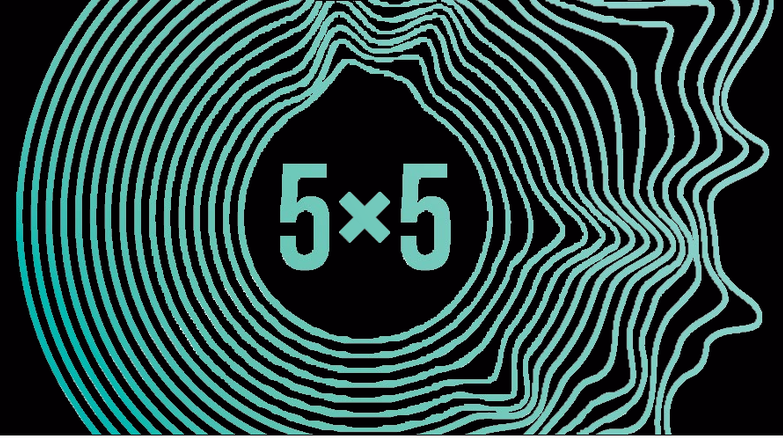
Many CAEs are on the front lines providing credible, **real-time risk-related advice and leading practices to management on strategic priorities** such as product launches, new technology plays, and other digital transformations that could impact their company's cyber risk posture.

Every organization's pace of digital transformation (e.g., ERP, cloud-based systems) is unique and potentially introduces new cyber risks, **but understanding digital transformation enables IA to anticipate emerging risks and deliver forward-looking cyber insights.**

When examining current and future roles in addressing cyber threats, IA can help organizations **accelerate change by focusing on organizational learning, management action, and remediation improvements** with other potential solutions.

5 actions you can take

1. To be strategic and proactive, internal audit **should prepare for and respond well to board questions about cybersecurity, current assessments, and necessary cyber resources** to prioritize relevant cyber risk initiatives that elevate IA's value and impact on the organization.
2. IA **can leverage recognized frameworks such as the National Institute of Standards and Technology (NIST) or the International Organization for Standardization (ISO) to establish a baseline understanding of cyber program maturity** and utilize leading security certification and third-party assurance efforts to highlight compliance with policies and practices.
3. **Audit at the speed of risk** by collaborating with the business and IT around strategic priorities, **pivoting to emerging risks, recruiting new talent for specialized skills, and innovating to meet the challenges** of a cyber risk landscape.
4. CAEs **should shift to continuous, dynamic risk assessments flexible enough to incorporate new risk domains** and sources of unstructured data that help IA anticipate and respond to the most significant risks—which often include cyber threats.
5. Accelerate improvements and solutions with **innovative e-learning techniques** such as virtual reality and gamification or by assembling **a team to uncover root causes of cyber concerns and share new perspectives.**



Internal Audit Opportunities:

Performing risk-based cyber audits to identify emerging cyber risks and threats.

Delivering advice and recommendations related to system implementations and transformations.

Performing peer benchmarking to identify control areas that are secure, and exposed—and measuring against industry peers.

Performing assessment of cyber network endpoint security, compliance monitoring, and key configurations.

Leading security certifications and third-party assurance efforts (e.g., ISO 27001).

Identifying business-critical activities, products and services, and reviewing programs with contingency plans for third-party risk management higher risk third parties.

For more information, or to explore insights visit:
[Internal Audit: Risks and Opportunities in 2022]

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