

# ACA / NSCP 2021 Cybersecurity Program Survey: Top Findings

January 27, 2022



# Speakers



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# ACA / NSCP Cybersecurity Program Survey

## Purpose

- ACA Aponix partnered with the National Society of Compliance Professionals (NSCP) to gather data on current and emerging cybersecurity trends, policies, and challenges across the financial services industry.

## Methodology

- Conducted between September and October 2021
- Targeted financial services firms with affiliations to ACA and/or NSCP

# Demographic Overview

## ❖ 171 Respondents

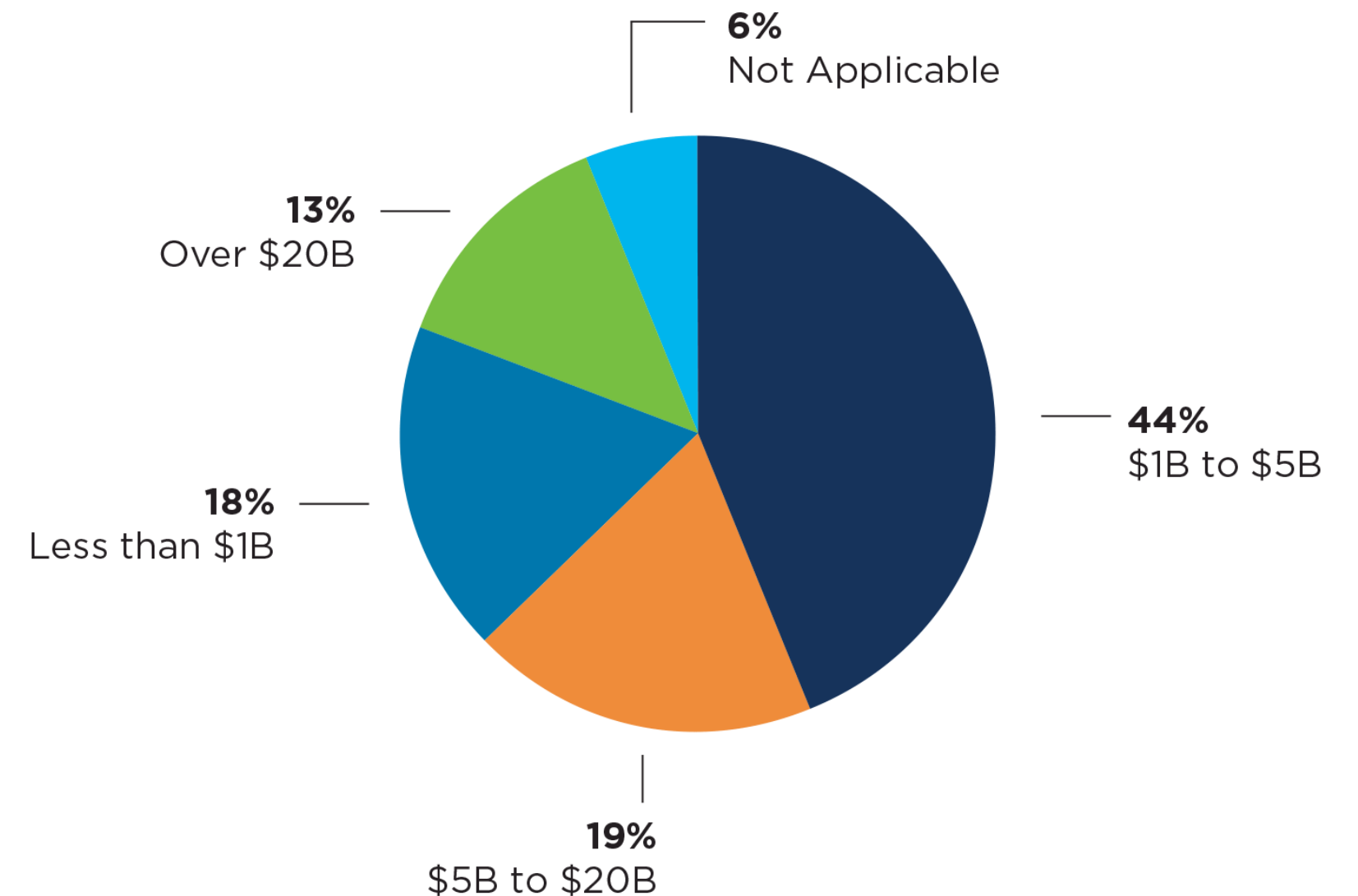
### ❖ Firm Type:

- ❖ 49% Asset managers or non-alternative investment advisers
- ❖ 37% Alternative investment advisers
- ❖ 7% Other financial services
- ❖ 3% Broker dealers
- ❖ 3% Other non-financial services

### ❖ Top Countries of Operations

- ❖ 94% United States
- ❖ 28% European Union
- ❖ 28% United Kingdom
- ❖ 21% Canada
- ❖ 18% Asia Pacific
- ❖ 15% Europe (Non EU/UK)

## Assets Under Management



# 2021 TOP FINDINGS

- 1. Cyber Concerns & Threats**
- 2. Cyber Spend**
- 3. Cyber Staff**
- 4. Cyber Program & Preparedness**

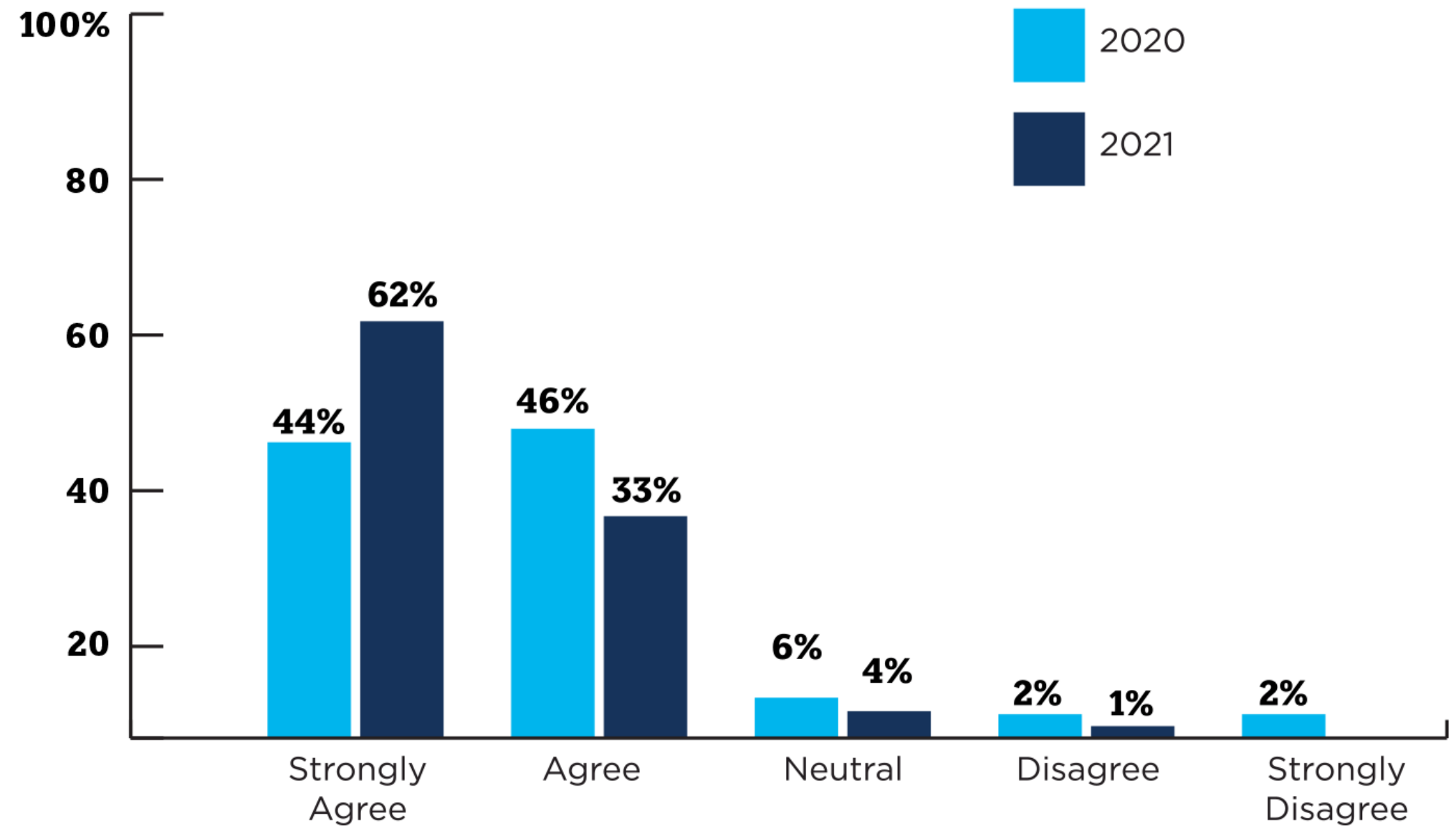


# Cyber Concerns & Threats

# Firms' Concern for Cyber Risk Is Increasing

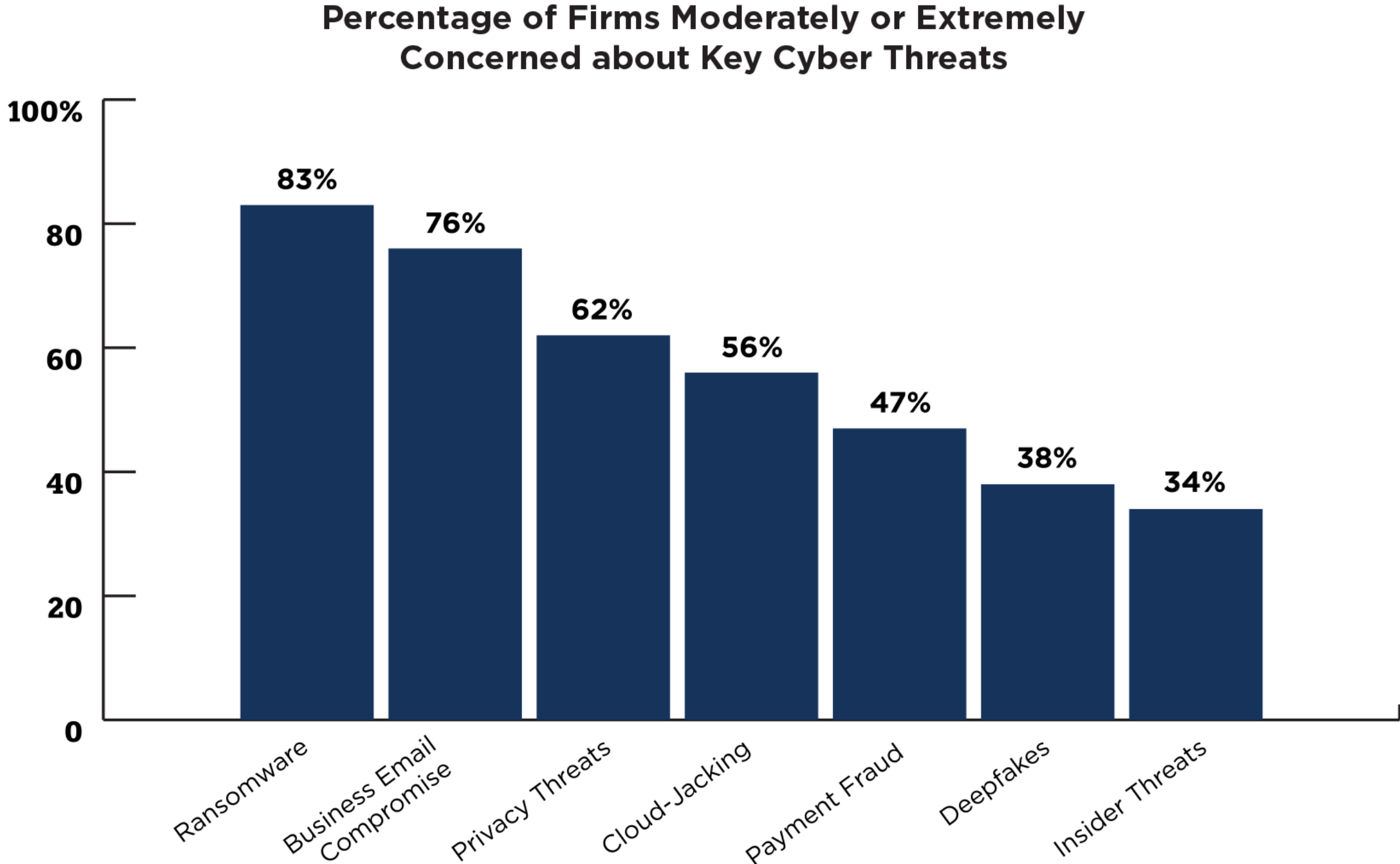
From 2020 to 2021, the percent of firms who strongly agreed that cyber poses a significant risk to their business increased by 18%.

## Level of Agreement by Year: Cyber Poses a Significant Risk to My Business



# Ransomware and Business Email Compromise (BEC) Are Top Concerns

**83%** stated they were either “moderately” or “extremely concerned” about ransomware, followed by **76%** for BEC.





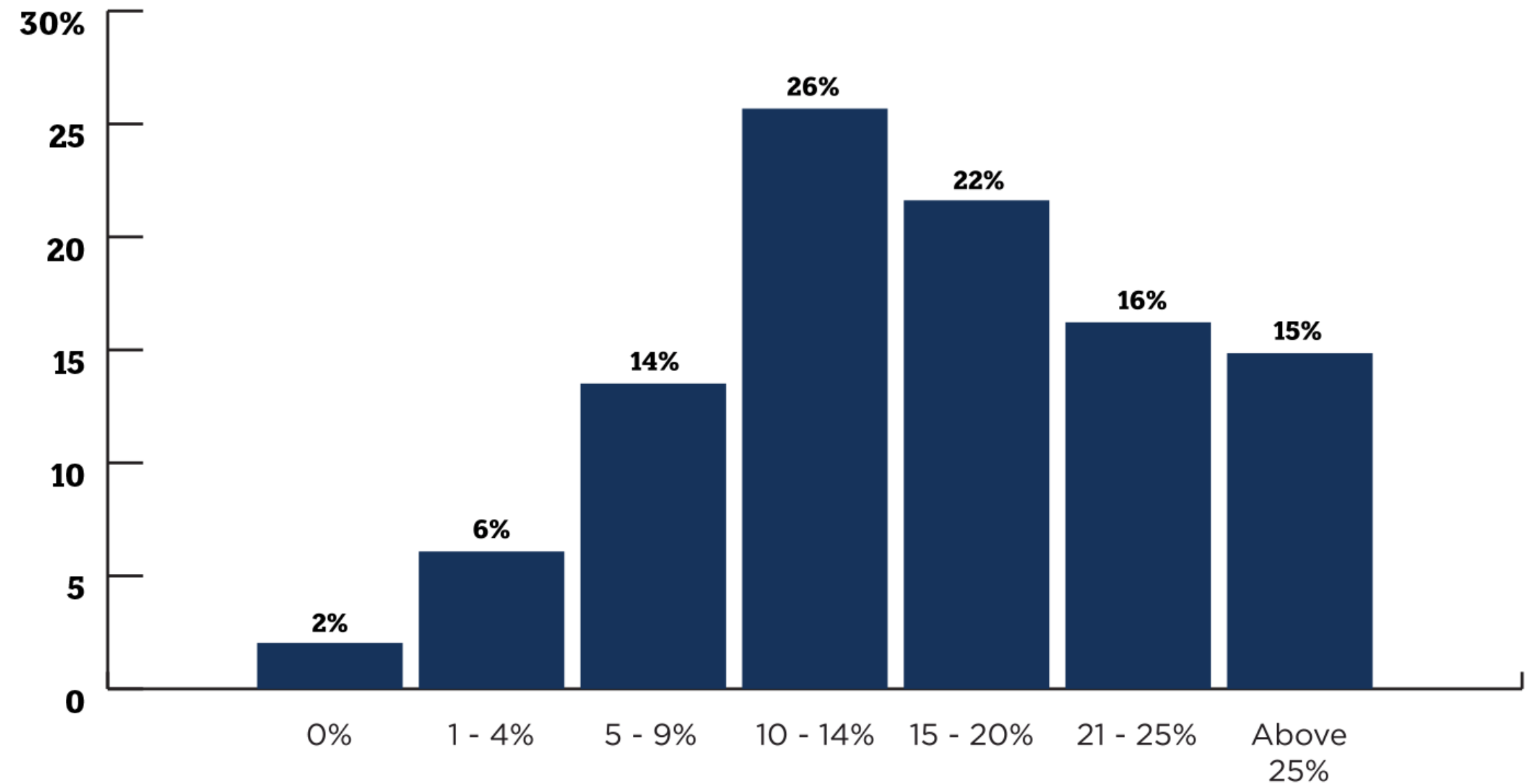


# Cyber Spend

# Most Firms Spend Over 10% of IT Budgets on Info Security

As a percentage of total IT budgets, the median range spent on information security in 2021 fell between 15-20%.

## Percent of 2021 IT Budget Dedicated to Info Security

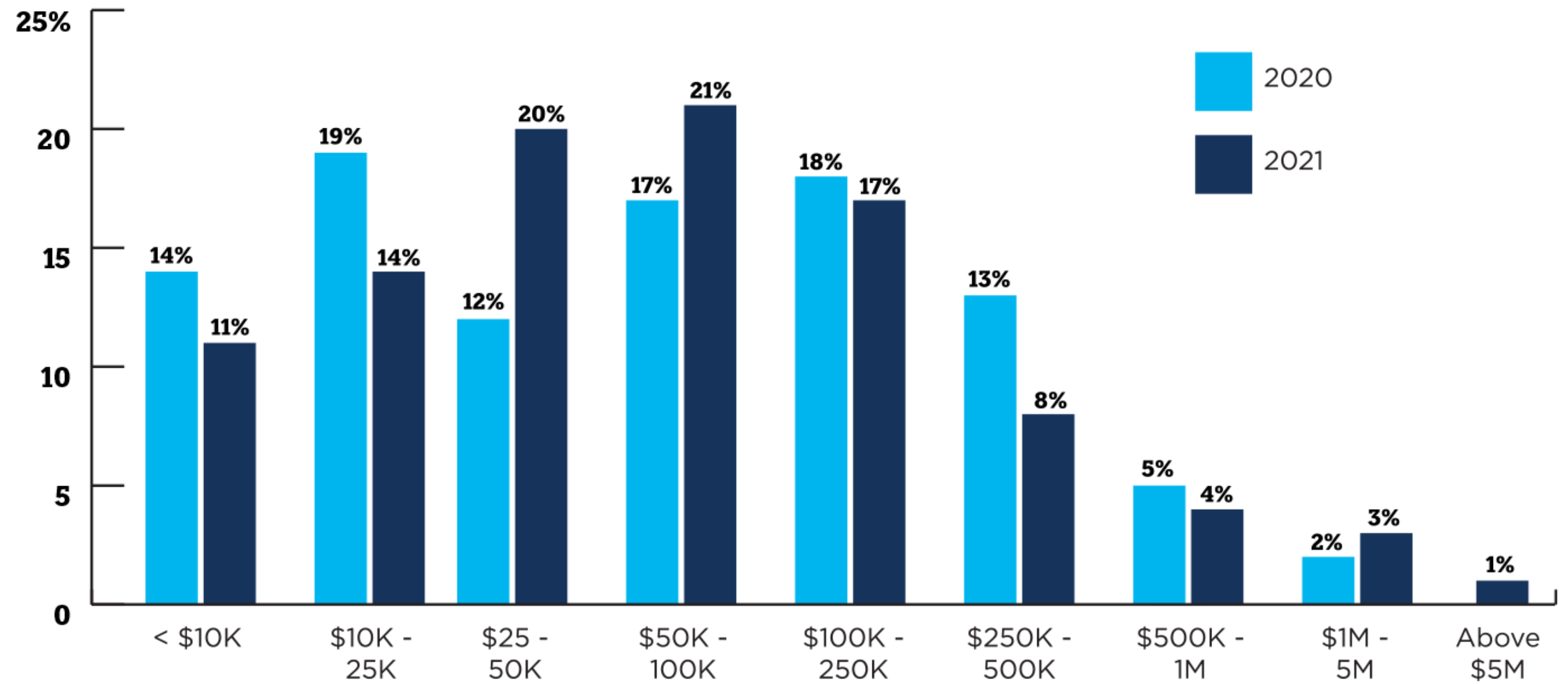


Due to rounding to the nearest whole number, data does not equal 100%

# Cyber Budgets Consolidated in 2021

From 2020 to 2021, the largest movement in budget sizes occurred in smaller budgets trending upward towards the mean.

## Cyber Budgets by Year



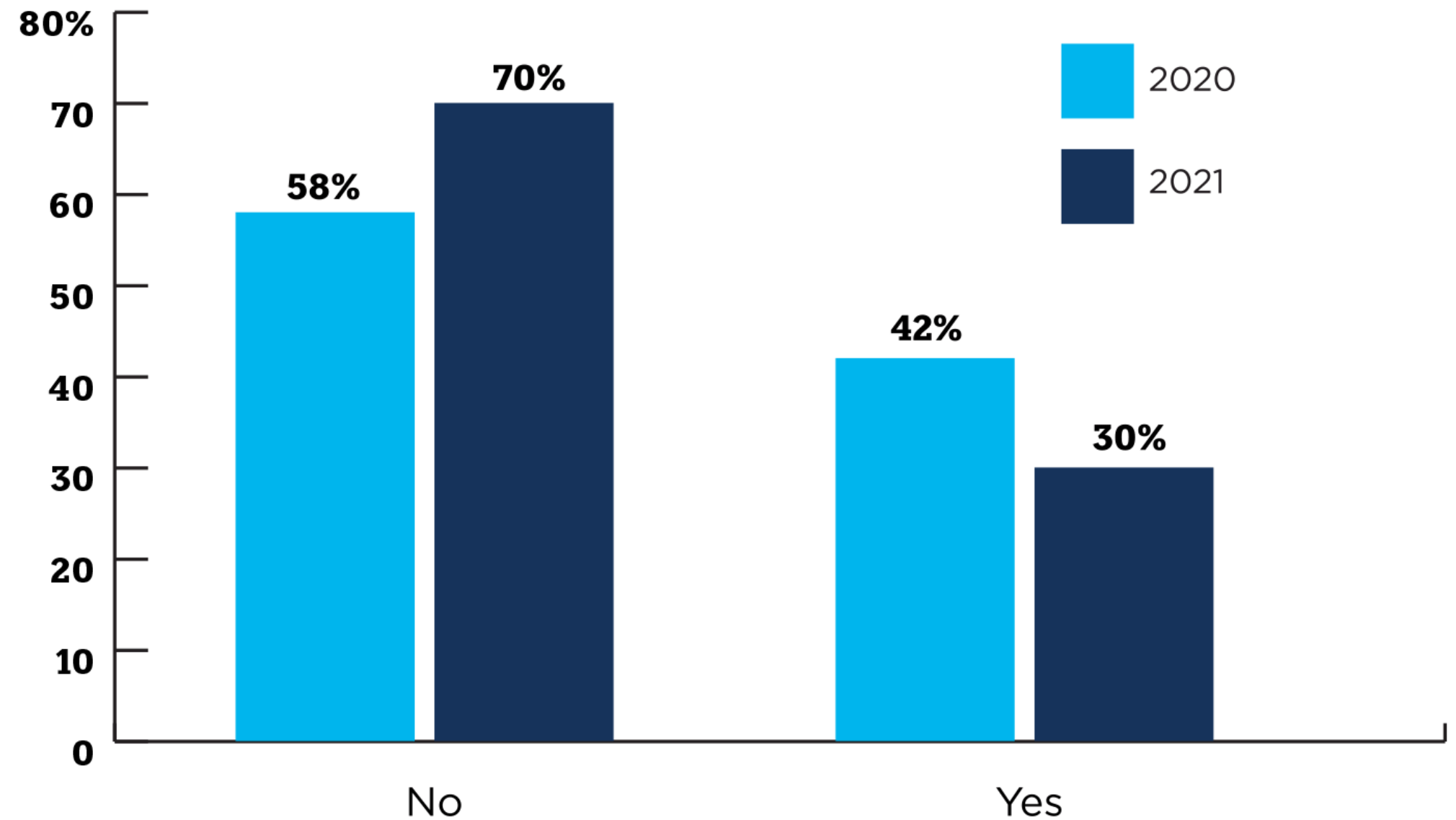


# Cyber Staff

# Fewer Firms Have Internal Information Security Staff

From 2020 to 2021, the percentage of respondents who stated they have internal information security staff fell from 42% in 2020 to 30% in 2021.

### Internal Information Security Staff by Year

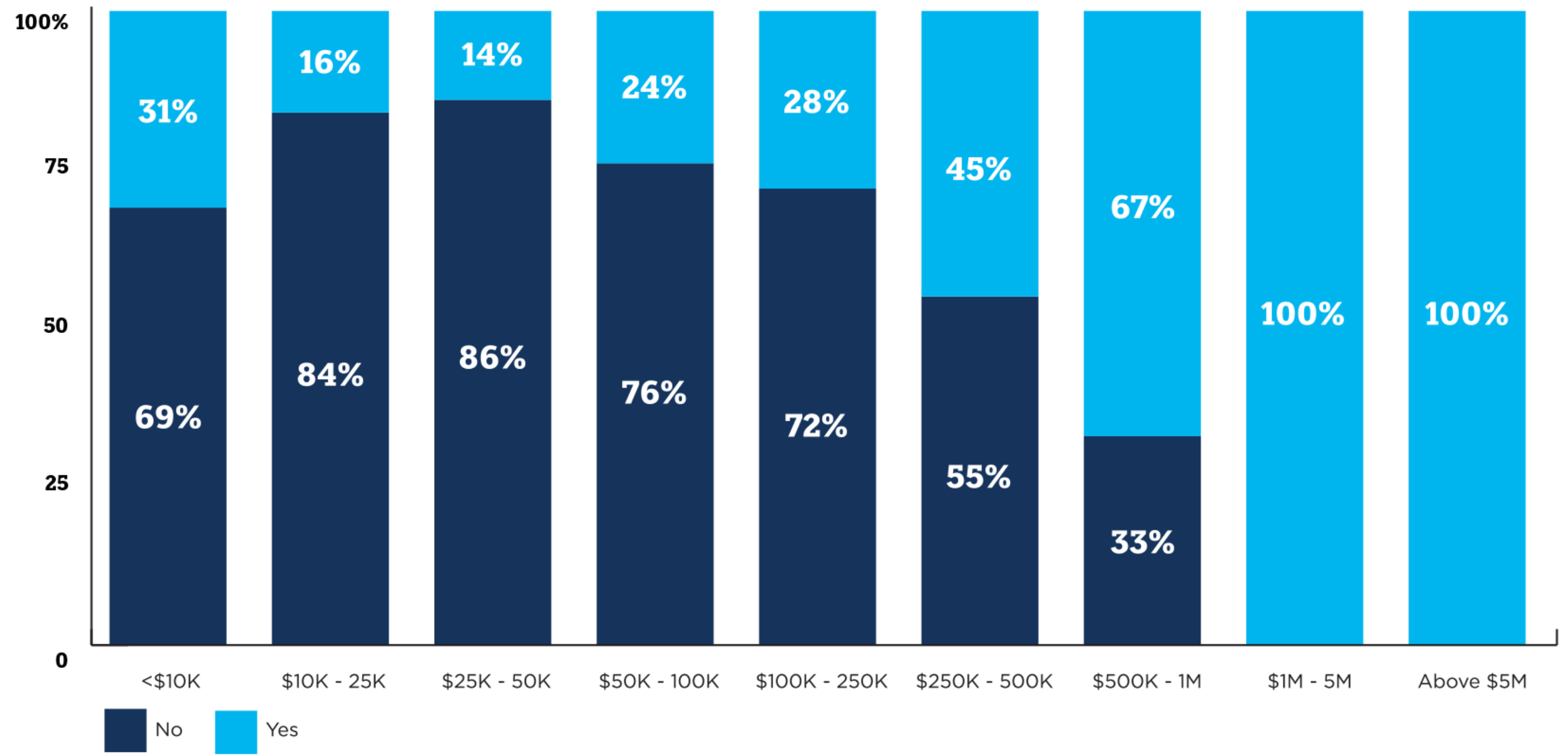


Do you have a dedicated, internal information security staff?

# Fewer Firms Have Internal Information Security Staff

## Internal Information Security Staff by 2021 Budgets

Firms with larger cyber budgets were *more likely* to have in-house information security.

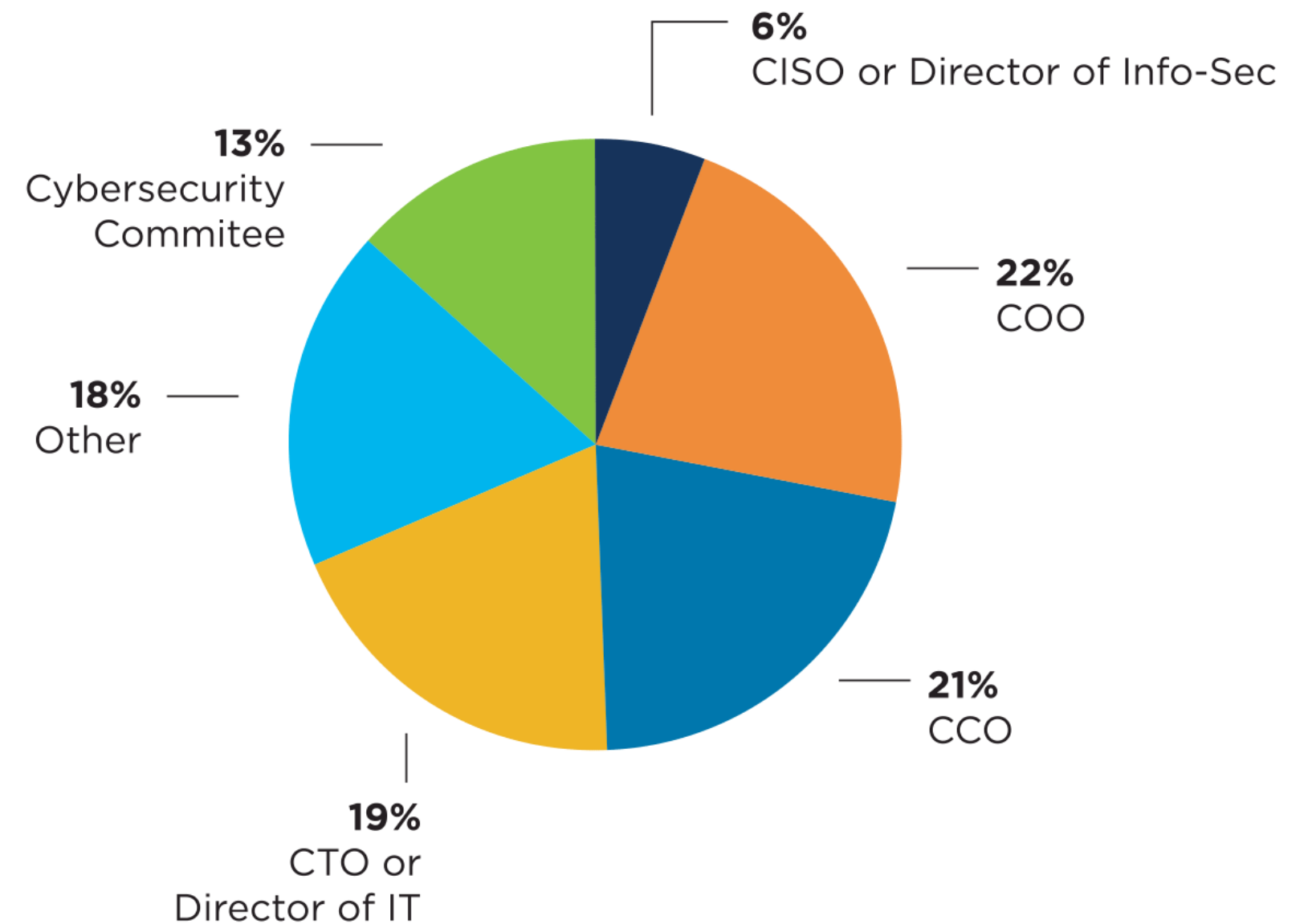


Despite there being a small “n” for budgets above \$1,000,000 (4% of total survey respondents), we believe these results to be indicative of trends of these broader populations.

# Final Decisions on Cyber Issues Often Made by Non-Information Security Staff

Only 6% of firms reported having a CISO as their top cybersecurity decision maker.

### Firms' Final Decision Maker on Cybersecurity



Due to rounding to the nearest whole number, data does not equal 100%



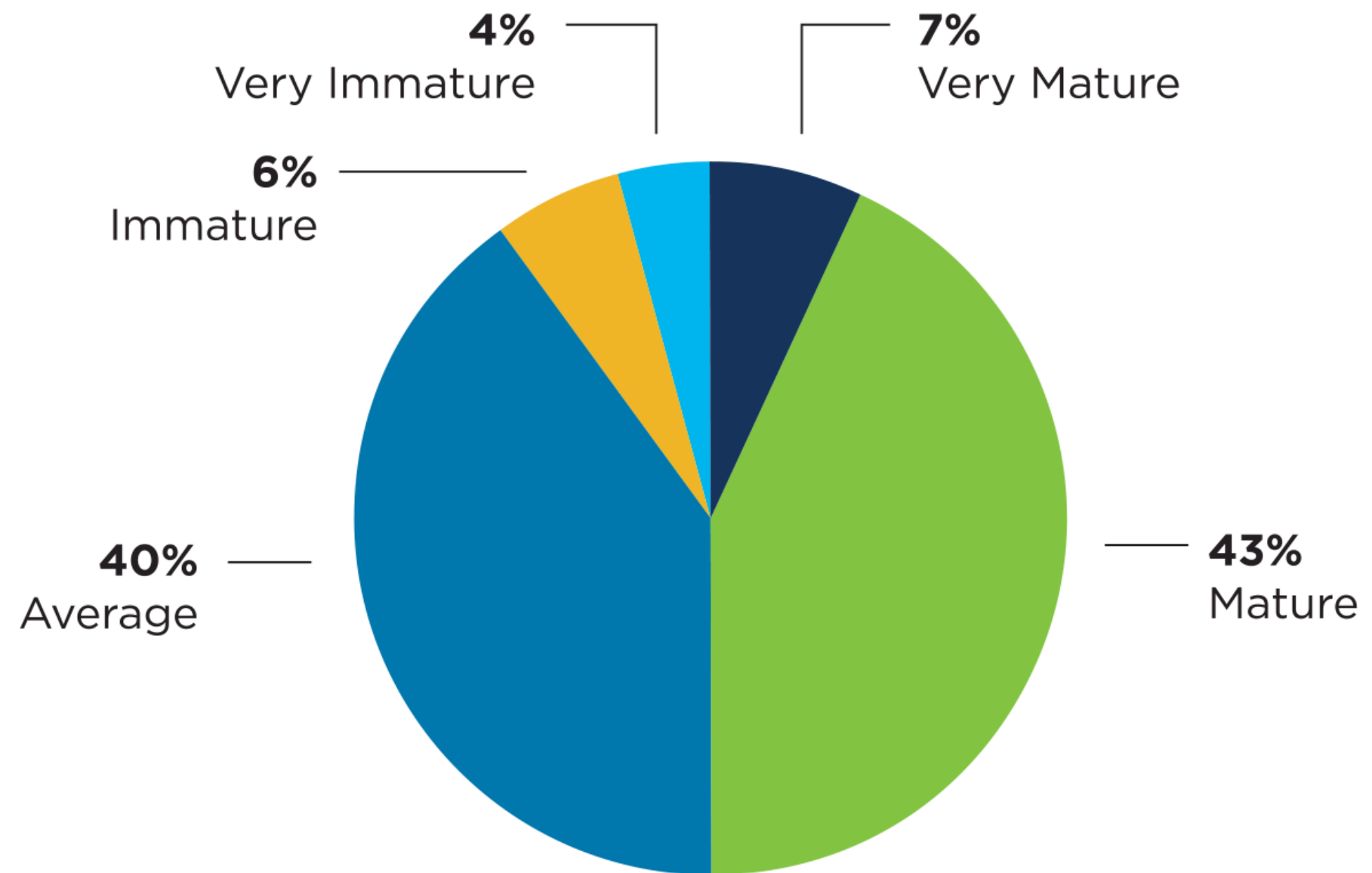
# Cyber Program & Preparedness



# Half of Firms Believe Their Cyber Program is Mature

**50%** of firms considered their cyber programs to be “very mature” or “mature.”

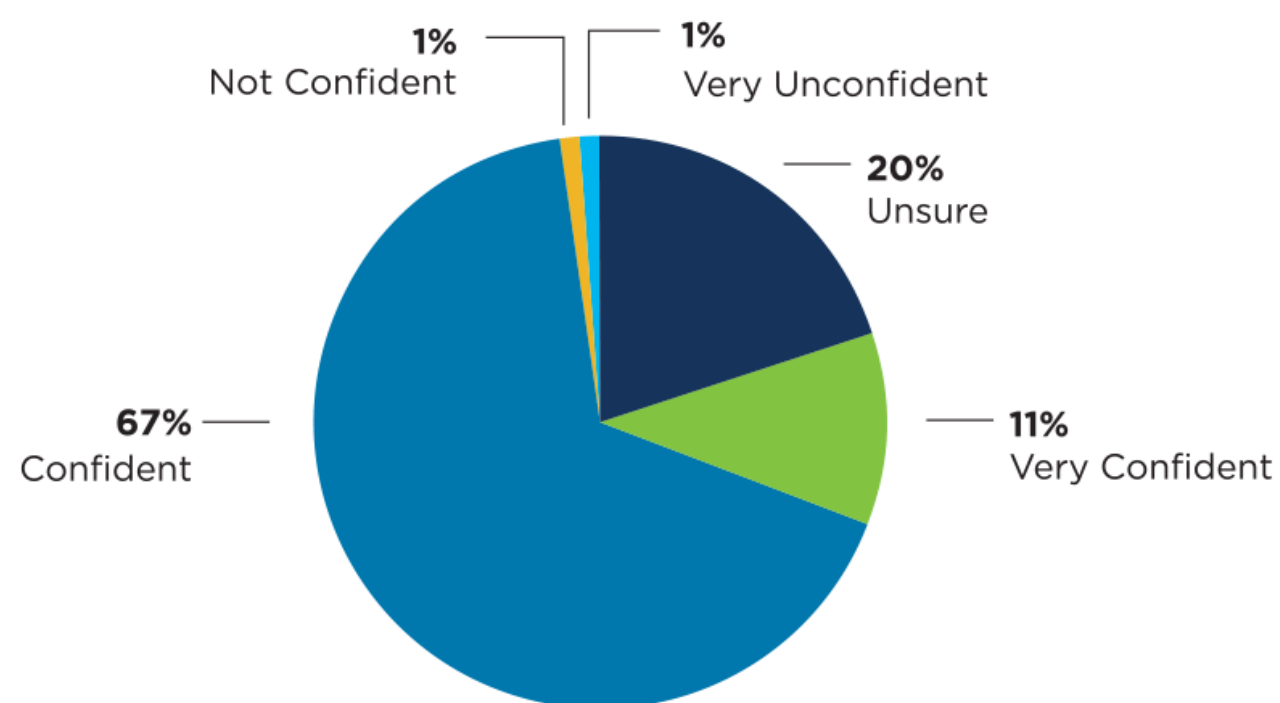
## Perceived Maturity Level of Firms' Cyber Program



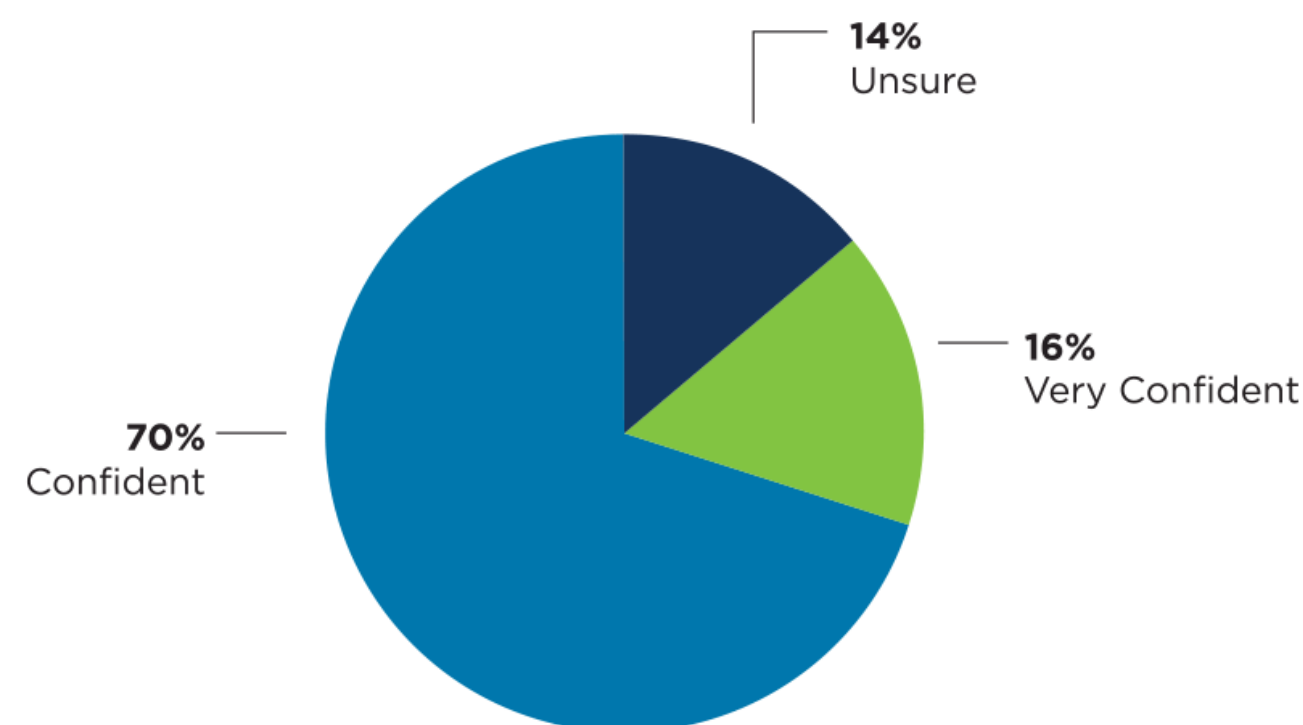
# Table-Top Exercises Increase Firms' Confidence in Responding to a Cyber Breach

**86%** of firms who conduct a table-top exercise at least once a year stated they are either “very confident” or “confident” in their firm’s ability to respond to a breach compared to **78%** of all firms surveyed.

Confidence Level in Responding to a Cyber Breach



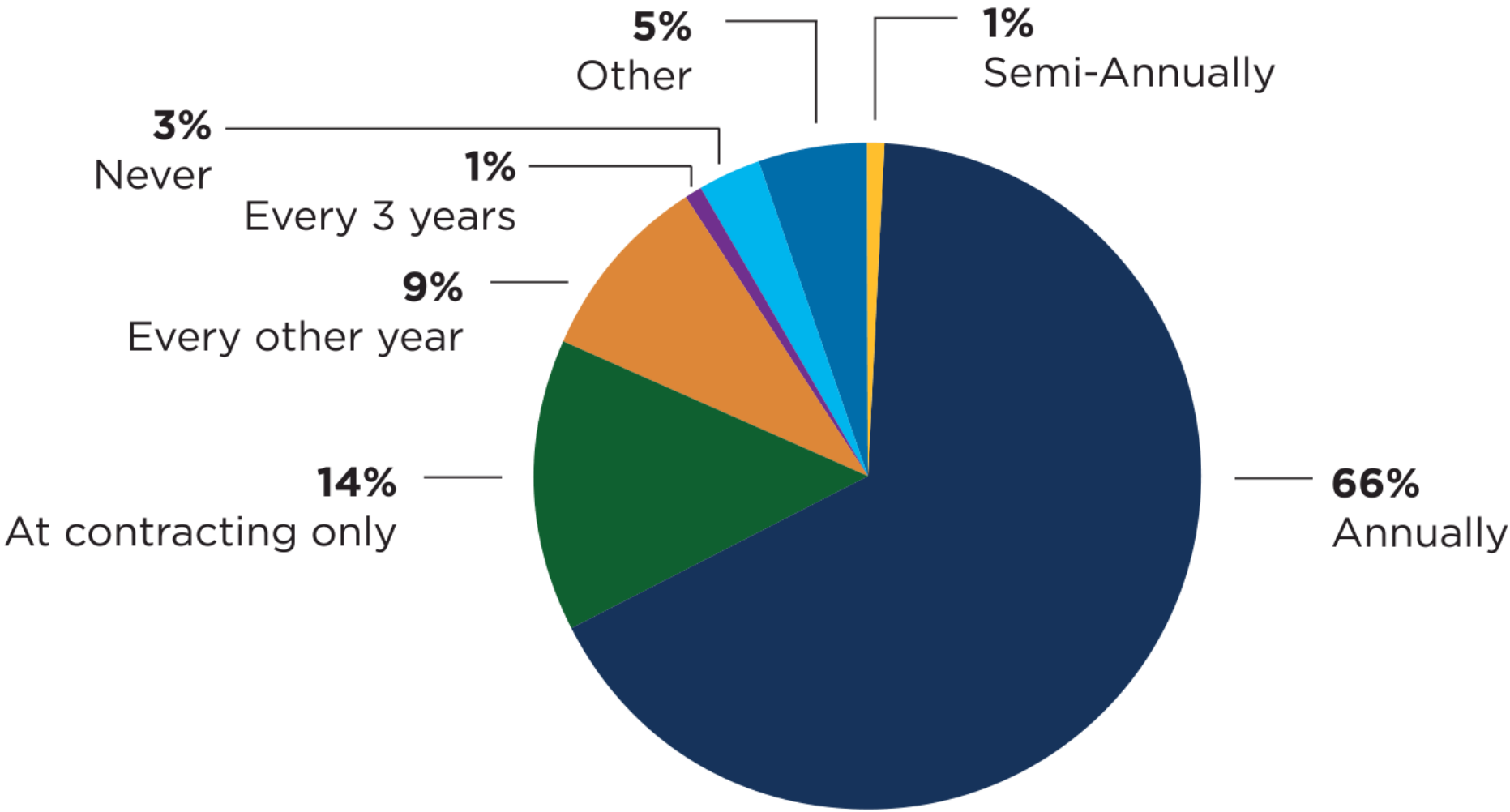
Confidence Level in Responding to a Cyber Breach (Respondents who conduct a TTE at least once a year)



# Annual Information Security Vendor Diligence is Most Common

**66%** stated they conduct information security vendor due diligence on “key” vendors annually.

Frequency of Information Security Due Diligence of Key Vendor

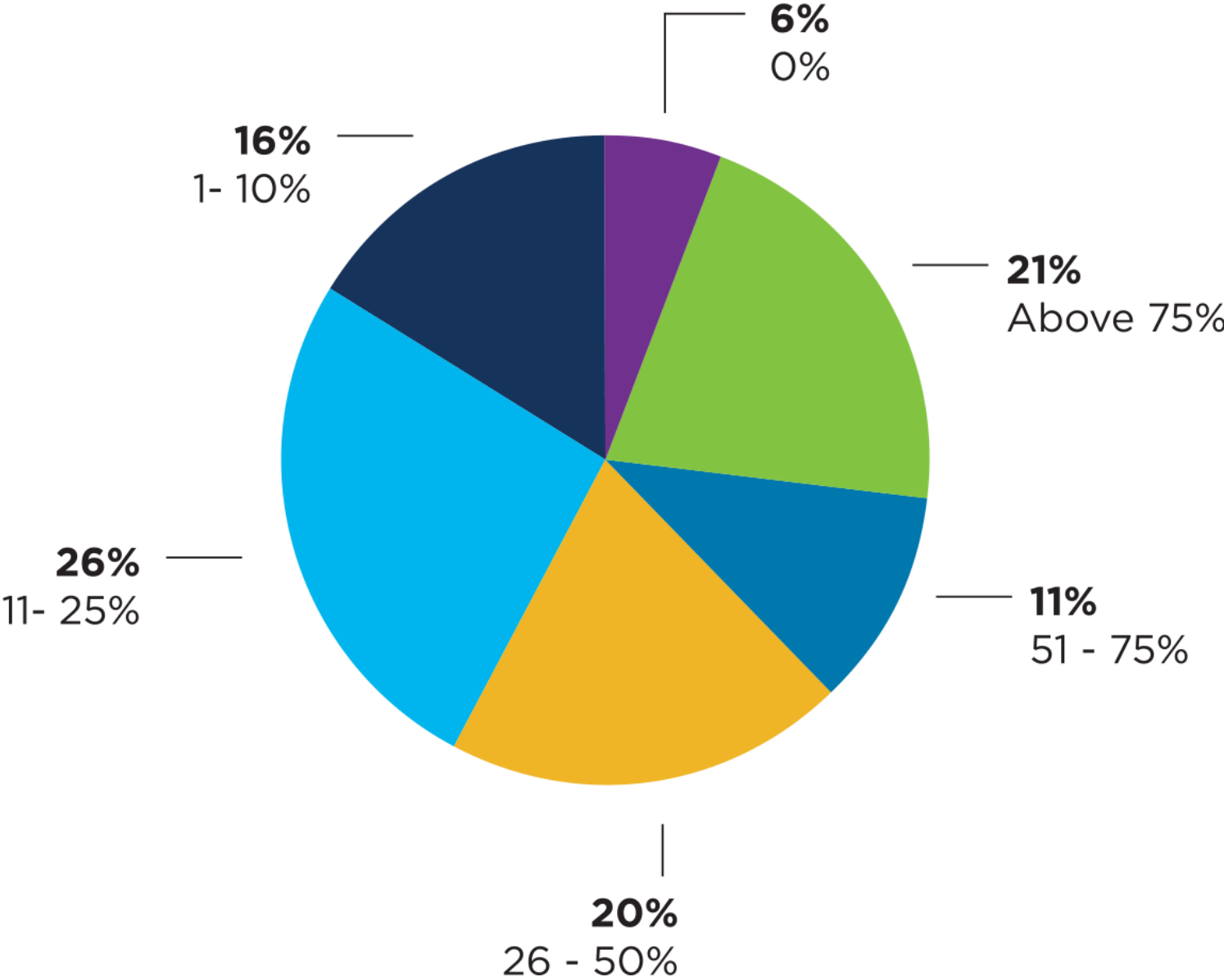


Due to rounding to the nearest whole number, some segments do not equal 100%

# Few Firms Conduct Info Sec Diligence on Majority of Vendors

**21%** of firms stated they conduct information security diligence on 75%+ of their vendors, whereas **48%** of firms conduct vendor due diligence (VDD) on 25% or less of their vendors.

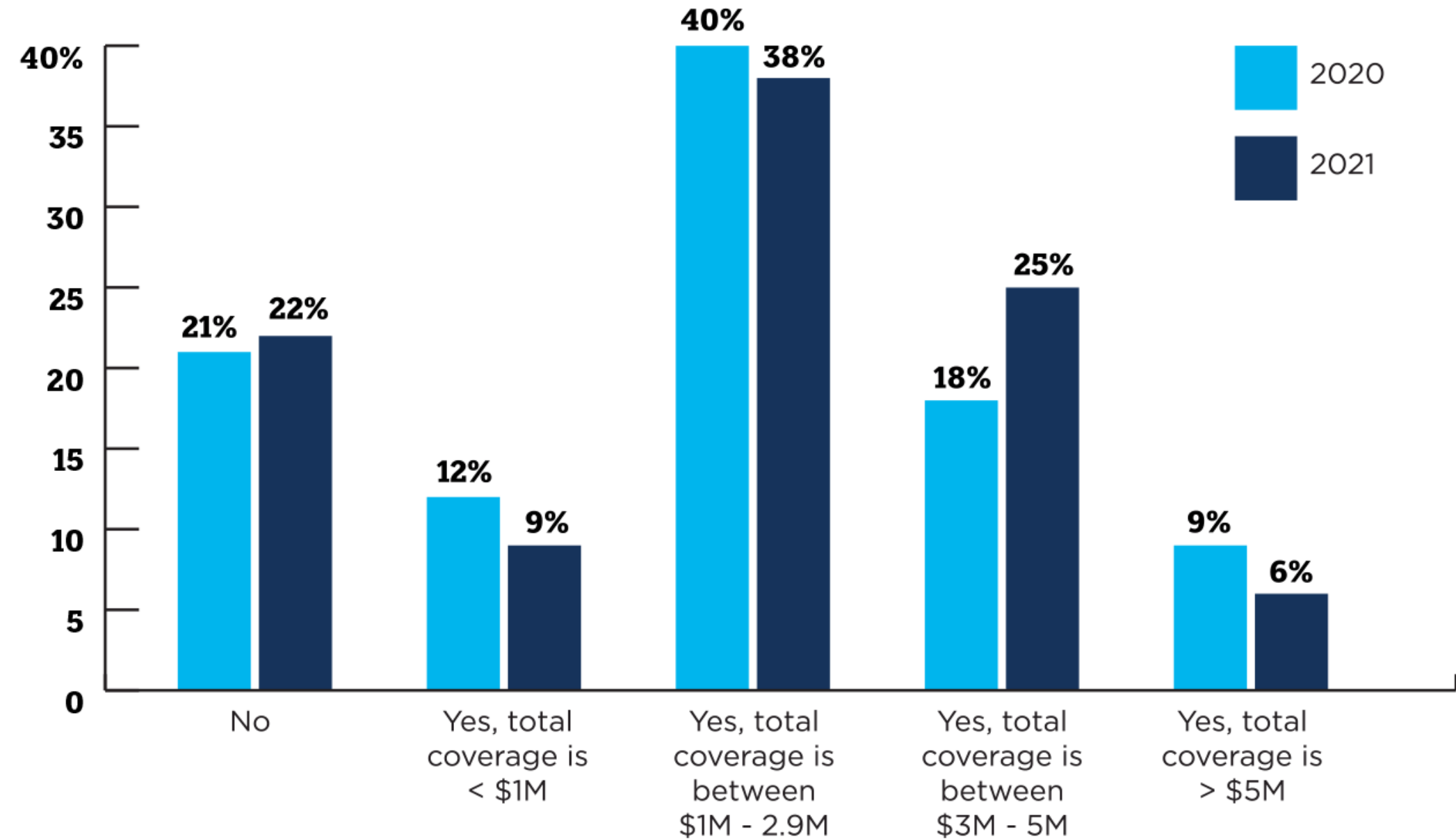
Percentage of Vendors Included in Information Security Vendor Due Diligence



# More Firms Opting for Higher Levels of Cyber Insurance Coverage

From 2020 to 2021, firms with cyber insurance coverage between \$3-5 million experienced the largest increase, rising from 18% to 25%.

Cyber Insurance Coverage by Year





# Considerations for 2022



# Questions