

# Cybersecurity: How do you rise above the waves of a perfect storm?

(PART 3)



**ISAAC SARPONG:** Isaac is the Partner in charge of Tax Services. He has over 26 years' experience in the provision of multi-faceted advice to both local and international clients in taxation, accountancy, audit & assurance, and corporate law, among others. Isaac is a Chartered Accountant, a Chartered Tax Practitioner and a Lawyer.



## The EY Global Information Security Survey 2021 finds CISOs and security leaders battling against a new wave of threats unleashed by COVID-19.

(CONTINUED FROM PREVIOUS EDITION)

### CHAPTER 2

## Three challenges holding back the CISO

### The Perfect storm for cybersecurity

#### 1. Today's cybersecurity organization is severely underfunded

Despite the growing threat of cyber-attack, the cybersecurity budget is low relative to overall IT spend. The survey data also suggests that budget allocation processes are largely inflexible, despite the need for agility in response to pandemic-era volatility and the prospect of future disruption.

Current funding models are simply inadequate for what is, in effect, an existential risk. It is also symptomatic of the poor understanding that many businesses have of cyber issues and their failure to implement a culture of security by design.

#### Budgets are out of sync with need

In the creation of this report, EY carried out qualitative interviews with heads of cybersecurity and separately surveyed 1,010 senior cybersecurity professionals. The survey respondents, on average, had revenues of approximately \$11b last year, while spending an average of just \$5.28m, or 0.05% of the total, on cybersecurity per annum.

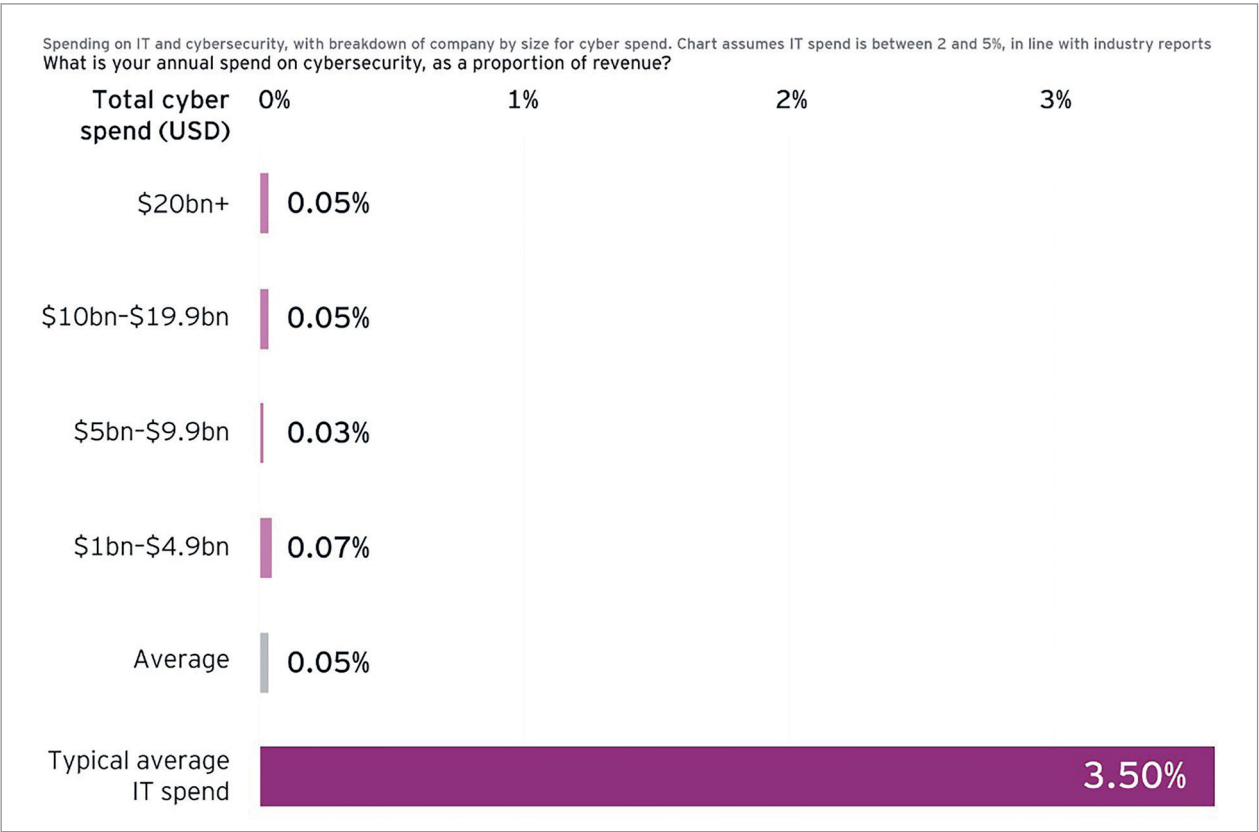
The picture varies from one sector to another. At one extreme, in the highly regulated financial services and technology, media and entertainment, and telecommunications (TMT) sectors, the average GISS respondent spent an average of \$9.43m and \$9.62m respectively on cybersecurity last year. At the other end of the spectrum, energy companies spent just \$2.17m, on average. We also see differences by company size, with the

smallest businesses spending a greater proportion.

One issue relates to how the budget is planned and allocated. Some six in 10 (61%) respondents say their security budget forms part of a larger corporate expense, such as IT, with 19% reporting that this is fixed and defined cyclically. More than a third (37%) say cybersecurity costs are shared across the organization, but only 15% do so dynamically, depending on how resources are used.

In other words, very few organizations define their security budgets as a variable and contingent cost of doing business. In effect, CISOs might struggle to scale their functions' efforts in the context of specific and fast-evolving business initiatives. ■

(CONTINUED IN NEXT EDITION)



### Cybersecurity, strategy, risk, compliance and resilience

EY Cybersecurity, strategy, risk, compliance and resilience teams can provide organizations with a clear picture of their current cyber risk posture and capabilities, giving them an informed view of how, where and why to invest in managing their cyber risks. It starts with better questions. The better the question. The better the answer. The better the world works. Please send an email to [isaac.sarpong@gh.ey.com](mailto:isaac.sarpong@gh.ey.com) and copy in [kofi.akuoko@gh.ey.com](mailto:kofi.akuoko@gh.ey.com).

#### About EY

EY is a global leader in assurance, tax, strategy and transaction and consultancy services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, clients and for our communities.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

#### Find out more:

**Address:** 60 Rangoon Lane, Cantonments City, Accra. P. O. Box KA16009, Airport, Accra, Ghana.  
**Telephone:** +233 302 772001/772091  
**Email:** [info@gh.ey.com](mailto:info@gh.ey.com),  
**Website:** [ey.com](http://ey.com)

### CISOs are largely working with inflexible budgets

How do you define your cybersecurity budget?

