Managing cyber risks effectively as a board of directors

How PwC can help you

As cyber risks grow in importance due to the threats they pose to organisations, the increasing frequency of incidents and the associated regulatory pressures, it is critical for board members to prioritise and strategically address them. Identifying, assessing and mitigating threats and vulnerabilities in digital systems is essential to protecting valuable assets (such as sensitive data) and minimising the impact of cyber-attacks. Board members must have the necessary expertise to properly scrutinise and evaluate the strategies and solutions proposed by management and to set effective risk tolerances.

Briefly summarised

- Regulators have updated their guidance and focus areas to explain the **expanded scope** related to cyber risk management.
- This has **a significant impact** on banks' risk management. The interactions between management and the Board of Directors are crucial in order to respond to the **increased complexity** and new requirements.
- Implementing robust cyber security measures and **assessing vulnerabilities** helps banks to mitigate the risk of cyber attacks and minimise potential financial and reputational damage.
- Raising **awareness of the importance of cyber risk management** significantly improves the overall security situation of banks.
- **Boards of Directors** are responsible to various stakeholders, such as regulators, for monitoring cyber risks and ensuring effective cyber security measures are in place.

What challenges do banks face?

Some **key challenges** in the area of cyber risk management that banks need to consider are

- Development of **governance, reporting and risk management** within an overarching approach to cyber risk management.
- **Effective risk identification and assessment** as a basis for minimising cyber threats, including assessing the likelihood and impact of these risks.
- **Strong protective measures** that are appropriate and include the procedures and technologies used to successfully protect the institution from cyber threats.
- **Implementation of mechanisms and procedures** for the rapid and effective detection of cyber security incidents.
- Develop **workable recovery and resilience strategies** that focus on restoring systems and operations assuming challenging, realistic scenarios.

Our offer

We can support the members of your bank's Board of Directors (and Audit & Risk Committee) with the following:

- ✓ **Cyber training for board members:** improving the strategic decision-making ability of board members by equipping them with the knowledge and skills required to effectively monitor and manage cyber risks, including providing a range of questions and common issues to challenge senior management.
- ✓ **Cyber emergency training exercise**: We deliver cyber emergency training tailored to banks, helping to simulate potential risks, develop practical mitigation strategies and raise awareness across the organisation.

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