2022 ACC Foundation

_state of CYBERSECURITY REPORT

_key(findings):

01

Cybersecurity Responsibilities Are Increasing for Chief Legal Officers

Cybersecurity reports to the CLO in 38 percent of departments surveyed (15 percent with a direct reporting line and 23 percent with a dotted line). Eighty-four percent of CLOs now have at least some cybersecurity-related responsibilities (up from 76 percent in 2020), whether it be a leadership position, being part of a broader team with cyber responsibilities, or being a part of an incident response team.

02

22 Percent of Companies Now Have A Dedicated Cybersecurity Lawyer

Twenty-two percent of companies now employ an in-house counsel with responsibility for cybersecurity—up 10 percentage points since 2018. In 48 percent of cases, this lawyer is responsible for coordinating cyberlaw strategy across the entire enterprise and in 29 percent of cases, this lawyer is fully embedded in cybersecurity/IT and works directly with technical resources. Fifty-six percent of these lawyers are in senior-level positions.

03

Many Companies Practice Strong Cross-functional Collaboration To Reduce Cyber Risk

Fifty-five percent of those surveyed agree that their organization's IT/cyber department, legal department, and other relevant business units are integrated and work together to reduce cybersecurity risk. There is wide variation across industries with a higher percentage of companies in the IT and educational services sectors reporting cross-functional collaboration (73 percent and 67 percent respectively).

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04 The Number of Companies That Now Require Annual Cybersecurity Training For All Employees Has Increased 20 Percentage Points Since 2020

Sixty-three percent of companies now have mandatory annual trainings on cybersecurity for all employees—an increase from 43 percent in 2020. Twenty-seven percent require training on a different interval and just nine percent have no training requirements at all—a reduction from 33 percent in 2018. Among companies that require training, 25 percent customize that training to the specific role or level of security access of individual staff.

05 Just 31 Percent of Legal Departments Say They Are Regularly Involved in Their Company's Third-Party Risk Management (TPRM)

Twenty percent of respondents said their company's TPRM program is able to work with legal to create customized security controls for a low maturity client that is very important for a particular business unit and just 31 percent say their legal department is "often" involved in TPRM. This varies dramatically by industry with legal being more often involved in the finance and insurance industries.

06 38 Percent of Legal Departments Say Their Spend Has Increased As A Result Of Their Approach To Cyber, Compared To One Year Ago

Thirty-eight percent of legal departments now say that their spend has increased as a result of their company's approach to cybersecurity—an increase from just 23 percent who said so in 2015. Fifty percent said this increase was mainly attributed to outside spend (among law firms, ALSPs, and consultants), while 25 percent said the increase was mainly attributed to inside spend (on legal resources exclusively devoted to cybersecurity).

07 Damage To Reputation, Liability To Data Subjects, And Business Continuity Are The Top 3 Areas Of Concern Resulting From A Data Breach

Damage to reputation (77 percent), liability to data subjects (61 percent), and business continuity (51 percent) are the most immediate concerns with regard to a data breach. Issues of least concern include the effect on employee morale, concern among board of directors, executive liability, shareholder activity, and preservation of lawyer-client privilege.

QUESTIONS? CONTACT: research@acc.com **VIEW THE FULL REPORT: acc.com/cyber2022**

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