

The Cybersecurity Readiness Podcast Series

Episode 55 – Summary and Key Messages

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| Episode Title | How Informed is the Board of Directors on Cybersecurity Risks? |
| Podcast Series | The Cybersecurity Readiness Podcast Series https://www.dchatte.com/podcast/ https://the-cybersecurity-readi.captivate.fm/ |
| Host and Producer | Dave Chatterjee, Ph.D. https://dchatte.com |
| Guest | Kayne McGladrey, Field CISO at Hyperproof and a senior IEEE member |
| Summary and Key Messages | <ul style="list-style-type: none">• Cybersecurity governance and board oversight. 0:02<ul style="list-style-type: none">○ Dr. Dave Chatterjee discusses cybersecurity readiness with Kayne McGladrey, CISO at Hyper Proof.• Cybersecurity governance and board knowledge gaps. 3:06<ul style="list-style-type: none">○ Kayne McGladrey shares insights on board of directors' knowledge gaps in cybersecurity governance, citing research discrepancies.○ Board members lack understanding of cybersecurity, leading to communication and alignment issues with CISOs, potentially hindering organization's cybersecurity posture.• Cybersecurity failures and board-level oversight. 7:06<ul style="list-style-type: none">○ CISOs and boards of directors often lack clear communication, leading to misunderstandings and failures in cybersecurity investment. |

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| | <ul style="list-style-type: none">○ Perceptions of cybersecurity as an IT problem and a cost center rather than a strategic advantage contribute to persistent failures in investment.○ Kayne McGladrey: CISOs are often hired as scapegoats, not given proper resources or support, and face challenges from market regulators and legislators.○ Dr. Dave Chatterjee: The perception of CISO role as just an IT person continues, despite regulatory efforts to address the issue.○ Dr. Dave Chatterjee highlights the Australian Securities Commission's plan to hold board of directors responsible for gross negligence in cybersecurity matters.○ Kayne McGladrey warns Delaware-headquartered companies of the potential for Caremark litigation if they lack adequate board-level oversight over cybersecurity and generative AI.● Cybersecurity governance and reporting structures. 14:22<ul style="list-style-type: none">○ Dr. Dave Chatterjee and the Kayne McGladrey agree that CISOs should report directly to the CEO or another C-level executive to ensure proper alignment with organizational strategy and greater visibility into cybersecurity issues for the board and other executives.○ The speakers also suggest that moving the CISO out of the CIO's report and giving them direct budgetary authority can lead to better outcomes and greater visibility into cybersecurity initiatives.○ Kayne McGladrey: Board members don't see eye to eye with CISOs, leading to a communications gap. |
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| | <ul style="list-style-type: none">○ Proposed regulations, such as New York's section 500, require CSOs to have sufficient authority and resources to manage cybersecurity risks effectively.• Cybersecurity oversight and risk management. 20:07<ul style="list-style-type: none">○ Dr. Dave Chatterjee emphasizes cybersecurity as a strategic opportunity for organizations to showcase their capabilities in protecting valuable data.○ CISOs struggle to communicate cybersecurity risks to boards due to lack of understanding and inconsistent definitions.• Cybersecurity risks and board-CISO communication. 24:37<ul style="list-style-type: none">○ Kayne McGladrey suggests CISOs should have coffee with board members to better understand their perspectives and share meaningful information.○ Dr. Dave Chatterjee agrees, emphasizing the importance of holistic discussions and non-expert perspectives in cybersecurity risk management.○ Dr. Dave Chatterjee emphasizes the importance of creating a high-performance information security culture to maintain a steady state of cybersecurity readiness.• Cybersecurity governance and risk management for board members. 30:06<ul style="list-style-type: none">○ Dr. Dave Chatterjee emphasizes the importance of educating board members on cybersecurity, not just checking boxes, and recommends continuous training and assessments to ensure effectiveness.○ Kane suggests asking key questions to board members, such as "What's the risk to the business from a potential |
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cybersecurity incident?" and "What are we doing to minimize the damage from that risk?"

- Kayne McGladrey: Boards should prioritize cybersecurity by understanding their regulatory burden, interpreting Key Risk Indicators, and aligning with business objectives.
- Kayne McGladrey: External expertise can provide valuable insights on technical cyber threats, such as phishing, ransomware, and social engineering, to help boards make informed decisions.

- **Cybersecurity resilience and recovery.** [36:17](#)

- Organizations with proactive cybersecurity measures can recover from ransomware attacks within 7-10 days, while those without may take 21 days to a couple of months.
- Dr. Dave Chatterjee emphasizes the importance of transparency and accountability in cybersecurity governance, encouraging non-technical stakeholders to ask probing questions and seek expert advice when needed.
- Kayne McGladrey posits that cybersecurity should be viewed as equivalent to natural disasters, as both can result in significant business disruption and investigation.
- The speaker emphasizes the importance of resilience and following reasonable cybersecurity frameworks to avoid loss of operations and prove preparedness in the event of a cyber incident.
- Kayne McGladrey: CISOs should have a proactive stance on cybersecurity, like they do in physical security, by collecting evidence and showing the board how effectively they're managing risks.

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| | <ul style="list-style-type: none">○ Kayne McGladrey: CISOs should have a conversation with the board about inventorying risks and controls, proving effectiveness daily, and adjusting budgets accordingly.● Cybersecurity, risk management, and board-level involvement. 45:27<ul style="list-style-type: none">○ Chatterjee emphasizes the importance of connecting cybersecurity to business outcomes and using initiatives like "destroy your business" to make the conversation more relatable and actionable.○ CISOs need good relationships throughout the company, including go-to-market team and other business leaders.○ Kayne McGladrey emphasizes importance of alignment between risk, audit, and CISO teams to effectively manage risk and improve security posture. |
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