

Cybersecurity letting the compliance side down: CCS survey

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Less than half of private fund managers think their cybersecurity program would pass the rigors of a regulatory exam, but they have more confidence in their overall compliance policy.

Private fund managers have more confidence in their general compliance programs than their cybersecurity measures, according to a survey by Cipperman Compliance Services.

Just over half, 57 percent, said they were confident their compliance program would pass the rigors of a regulatory exam, compared with the 25 percent that said the same of their cybersecurity program.

Only 43 percent of the respondents said their cybersecurity and data protection policies meet regulatory requirements.

The results mirror those of a recent cybersecurity sweep conducted by the Securities and Exchange Commission which found that while most firms now have a written policy in place, they come with shortcomings, such as not being tailored to the specifics of the firm, and not being reviewed annually as required.

The annual CCS C-Suite survey also found that fund managers are embracing compliance as a core function of their business. None of the respondents said compliance was “a waste of time and money,” while 90 percent said it helps sell business and retain clients, protects the franchise and is a cost of doing business.

Just under half said their firm’s chief compliance officer has more than one management role. Most frequently the role is taken on by the chief executive, while 10 percent of firms said their CCO is also the chief financial officer.