Legal Sector Breakfast Briefing

Tuesday 9 February 2016

How to stay secure in the age of cyber fraud

ArmstrongWatson®

Accountants, Business & Financial Advisers

A track record of providing solutions to the legal profession

Legal Sector Breakfast Briefing

Welcome

Douglas Russell
Partner
Armstrong Watson

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Accountants, Business & Financial Advisers
A track record of providing solutions to the legal profession

Legal Sector Breakfast Briefing

Tuesday 9 February 2016

8.30am	-	Arrival and breakfast
9.00am	-	Welcome
9.05am	-	Briefing - How to stay secure in the age of cyber fraud
10.00am	-	Q & A
10.30am	-	Close

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Accountants, Business & Financial Advisers

A track record of providing solutions to the legal profession

The Cashroom Ltd

Alex Holt

Director of Business Development

&

Lynn McAllan

Senior Legal Cashier

Introduction

- Danger is everywhere!!
- Worrying anecdote…
- But Don’t Panic
- Rules, Best Practice, Practical advice and great war stories

Rules -vs- Best Practice

- Rule 6.7: Accounts required to be held in the books of a solicitor
- Rule 6.8: Bank Reconciliations – how often?
- Rule 6.9: Client Funds invested in specific accounts

Rules -vs- Best Practice (Cont'd)

- Rule 6.19: Bridging Loans
- Rule 6.23: Anti-Money Laundering
- Electronic banking best practice

For more information…

- Contact Gregor Angus, Business Development Manager (Scotland)

Gregor.Angus@thecashroom.co.uk / 07875 598 593

- Visit the website: www.thecashroom.co.uk
- Follow us on Twitter: @thecashroomltd / @GA_CashroomLtd
- Like and follow our LinkedIn page: www.linkedin.com/company/the-cashroom-ltd

We Detect, Then Protect

xyone Cyber Security

Stephen Robinson – Managing Director

9th February 2016 Dumfries
Legal Sector Breakfast Briefing

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Cyber Security

C|EH™
Certified Ethical Hacker

CERTIFIED INFORMATION SYSTEMS SECURITY PROFESSIONAL
CISSP®

CYBER ESSENTIALS

CYBER ESSENTIALS
Accredited Certification Body
QG

ISOQAR REGISTERED
UKAS MANAGEMENT SYSTEMS
0026

Certificate Number 12422
ISO 27001

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How big is the problem globally?

Victims lose around **€290 billion** each year,

making cybercrime more profitable than the global trade in marijuana, cocaine and heroin combined.

- Europol, 2014

Cyber attacks cost the global economy more than **£238 billion** a year

and **200,000 jobs** have been lost as a result

- McAfee, 2014

As a business, cybercrime would be ranked **27th** in the world based on revenue.

- McAfee, 2014

Cyber crime is a bigger threat than nuclear war

- UK Government, 2013

The cost of cybercrime to the UK economy amounted to £6.8 billion in 2013.

- McAfee, 2014

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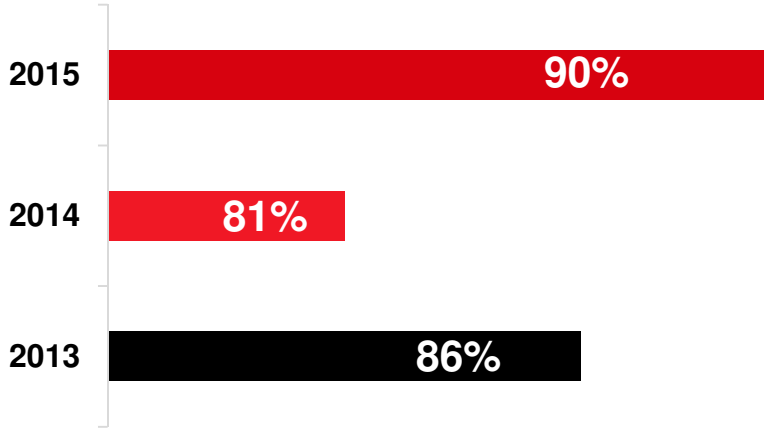
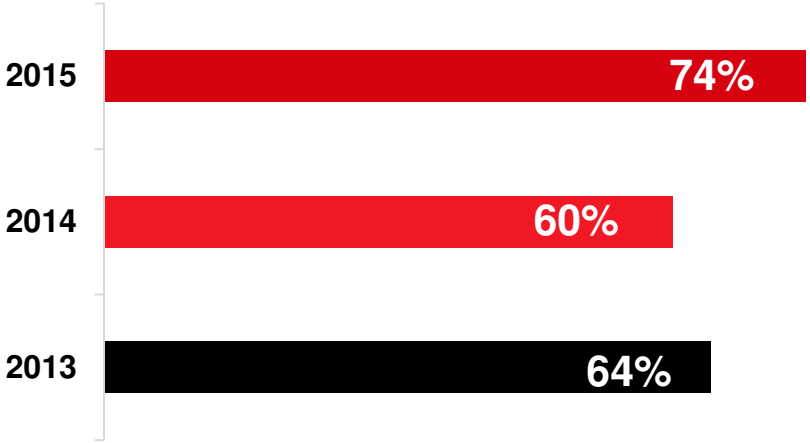
Cyber Breaches in the UK

According to the **PWC 2015 Internet Security Breaches Survey** released 1st May 2015:

90% of large businesses who participated in the survey suffered a breach in the last year (Up from **81%** a year ago)





74% of small businesses suffered a breach in the last year (Up from **60%** a year ago)

Source: PWC Internet Breaches Survey, May 2015

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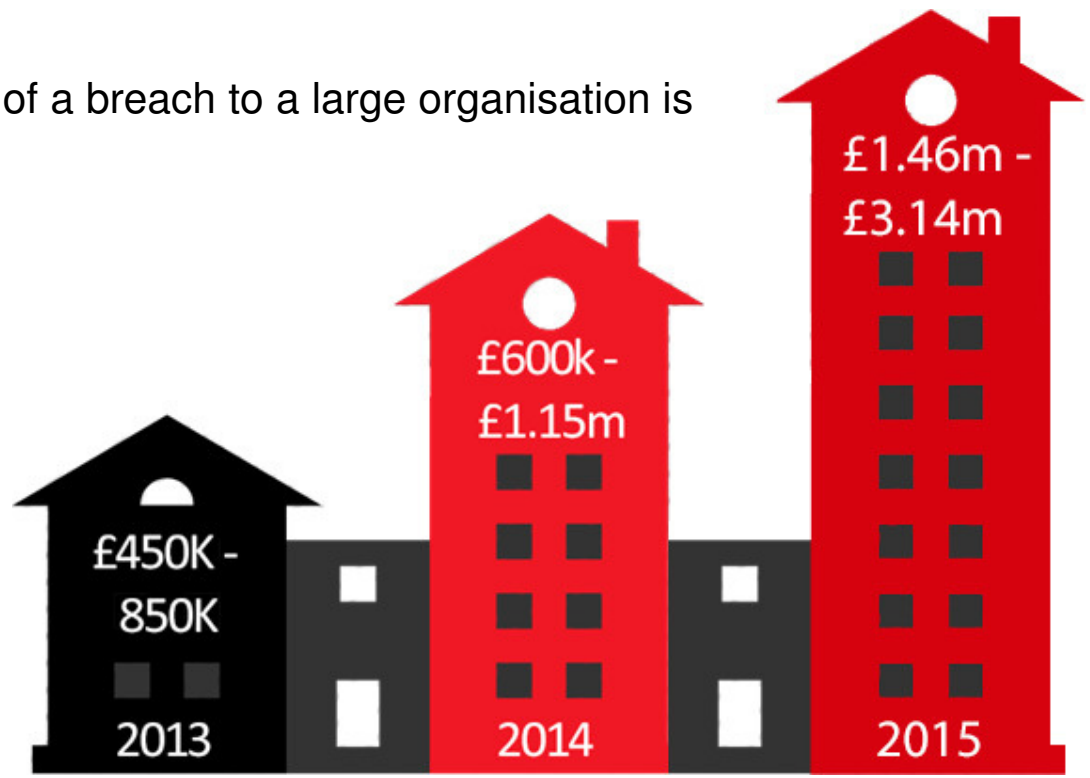
The average cost of a breach to a large organisation is



– More than double the average cost in 2014. (This could be as simple as through a virus!)

Source: PWC Internet Breaches Survey, May 2015

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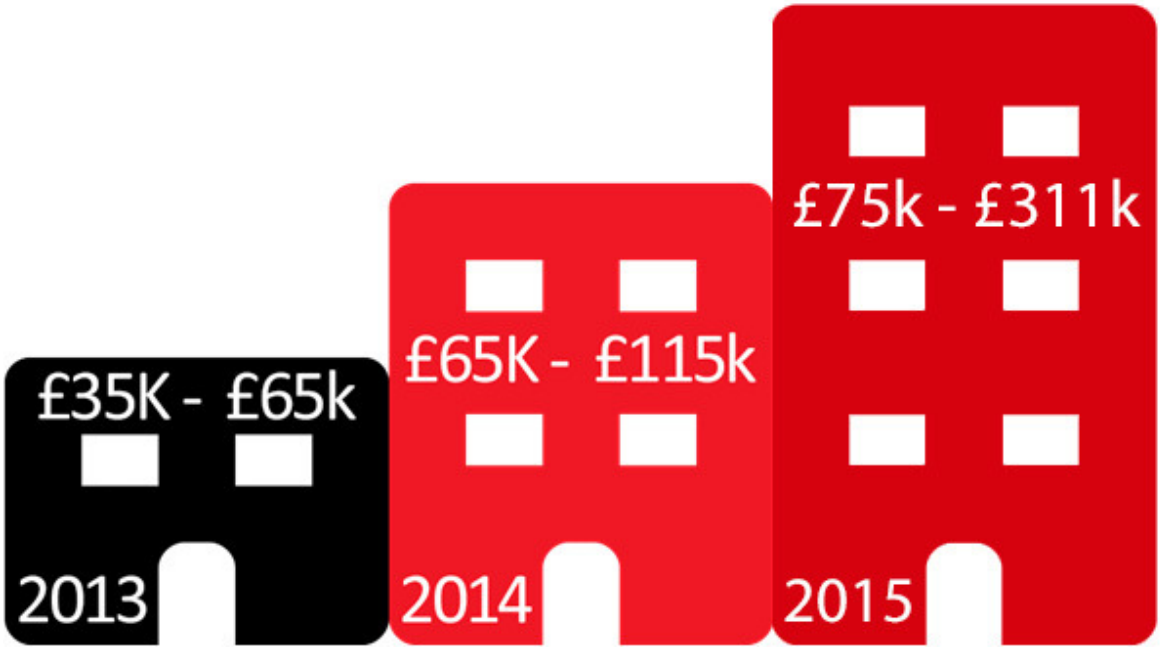
The average cost of the breach to a small organisation is



Also has increased significantly again over the past year.

Source: PWC Internet Breaches Survey, 2015

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DON'T BE CONNED

DON'T BE

SOCIALLY ENGINEERED

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Social Engineering

The clever manipulation of the natural human tendency to trust.

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“ICO investigates 173 law firms over data protection breaches”

Law Society Gazette, April 2015

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ICO probes 173 law firms over data protection breaches

A freedom of information request by Egress Software Technologies revealed that the Information Commissioner's Office investigated 173 UK firms for a variety of incidents that may have breached the Data Protection Act.

16 April 2015 By Monidipa Fouzder, Law Gazette

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"Three firms have lost £2.5m between them to phone fraudsters in recent months"

Law Society Gazette, September 2015

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"Up to 50 firms have fallen victim to cyber-attacks in 2015, with between £40k and £2m stolen in each case"

Solicitor's Regulation Authority, October 2015

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SRA Warns ‘Friday afternoon fraud risk’

The SRA says its is receiving four reports a month of law firms being tricked into giving bank details to fraudsters in so-called ‘Friday afternoon scams’.

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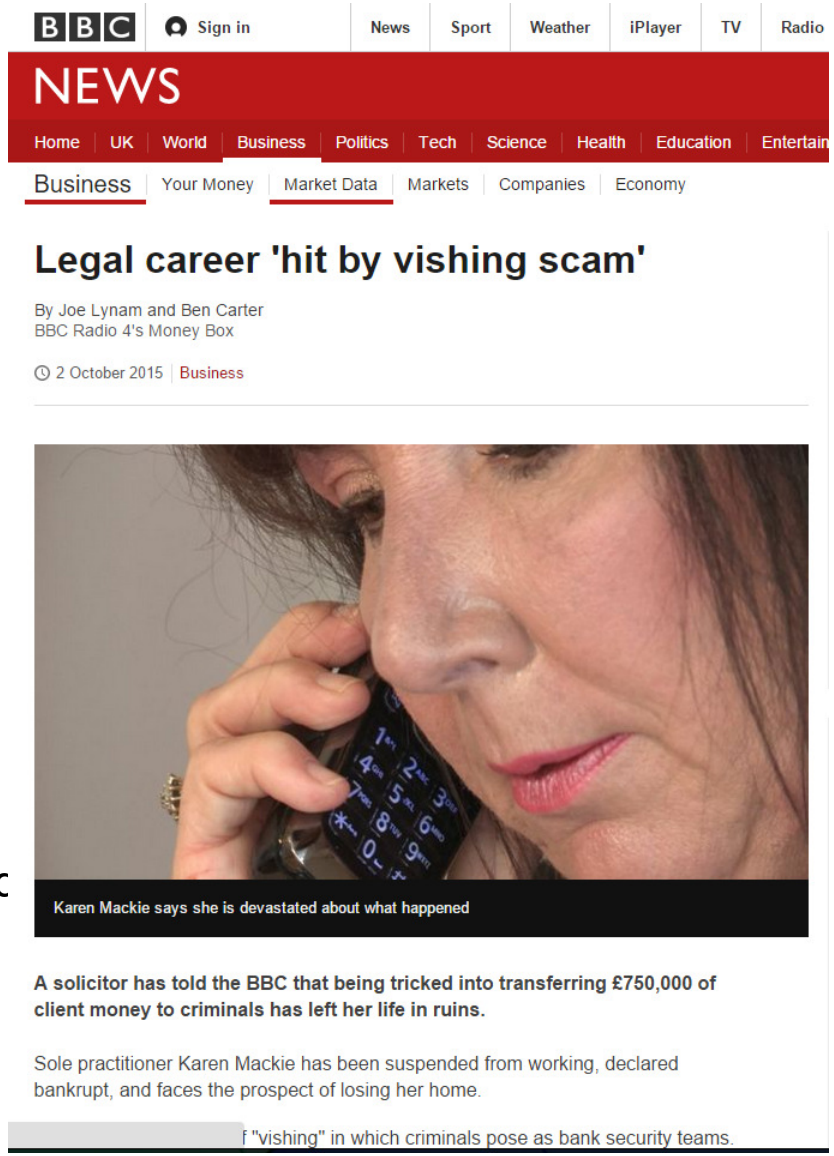
Case study: 2nd October 2015

- Sole practitioner solicitor was duped into transferring £750,000 of client money to criminals
- Mrs Mackie she received a call, purporting to be from Natwest which suggested funds in her clients' accounts were at risk.
- The criminals then convinced her that her funds were at risk and that the "bank" would call back the following day to transfer her money to "safe" accounts.
- She has been suspended from working, declarec bankrupt, and faces the prospect of losing her home
- Her PI insurance provider is refusing to pay against her claim



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Legal career 'hit by vishing scam'

By Joe Lynam and Ben Carter
BBC Radio 4's Money Box

2 October 2015 | Business

Karen Mackie says she is devastated about what happened

A solicitor has told the BBC that being tricked into transferring £750,000 of client money to criminals has left her life in ruins.

Sole practitioner Karen Mackie has been suspended from working, declared bankrupt, and faces the prospect of losing her home.

f "vishing" in which criminals pose as bank security teams.

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THE EXTERNAL THREAT STRATEGY:

DON’T GET HACKED!

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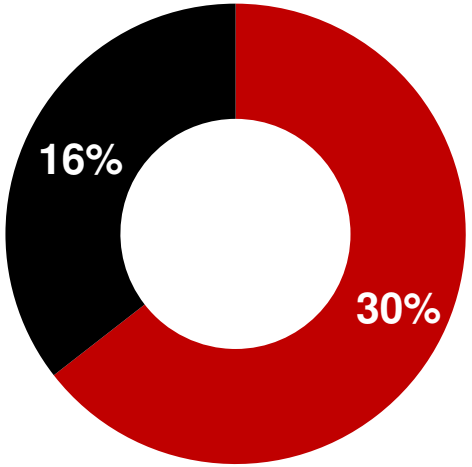
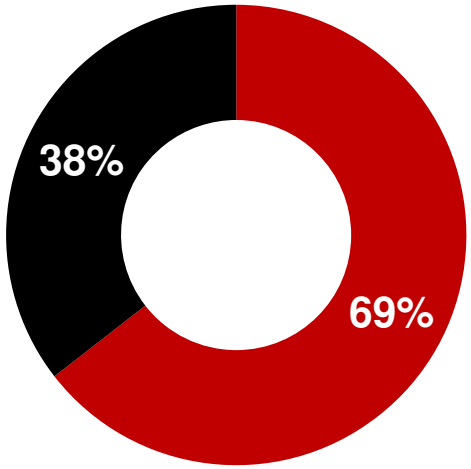
External Breaches

According to the **PWC 2015 Internet Security Breaches Survey** released 1st May 2015:



30% large organisations & **16%** small businesses were hit by DoS attacks in the last year.

- ⬇ Down from 38% a year ago
- 〓 The same as 16% a year ago



69% large organisations and **38%** small businesses were attacked by an unauthorised outsider in the last year.

- ⬆ Up from 55% a year ago
- ⬆ Up from 33% a year ago

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Penetration Testing

We administer a professional penetration testing service, which we offer on a recurring, managed basis to provide ongoing security for your business. Our in-depth pen test reports are written and analysed by our Certified Ethical Hackers, who will personally advise on the type and nature of vulnerabilities found within your web applications, networks or devices. We use the leading industry methodologies, such as OWASP to ensure accuracy and integrity of our work.

Our services include:

- **Network Penetration Testing**
- **Cloud Penetration Testing**
- **Wireless Network Security Testing**
- **Vulnerability Assessment**
- **Web Application Penetration Testing**
- **VOIP Penetration Testing**
- **Mobile Security Testing**

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THE INTERNAL THREAT STRATEGY:

MITIGATING THE HUMAN RISK

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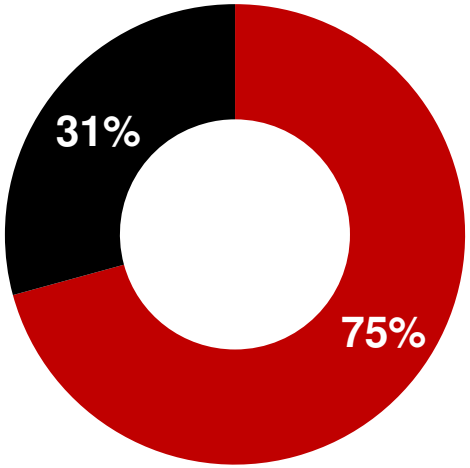
How likely is an internal breach?

72% Of companies where the security policy was poorly understood had staff related breaches.

50% Of the worst breaches in the year were caused by human error.

↑ Up from 31% a year ago



Organisations suffered staff related security breaches in the last year

↑ Up from 58% a year ago

↑ Up from 22% a year ago

Source: PWC Information Security Breaches Survey 2015

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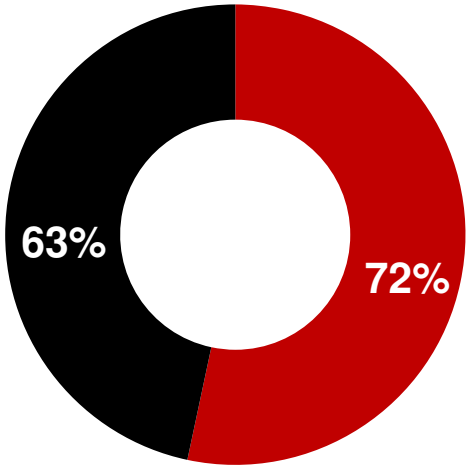
How likely is an internal breach?



Organisations provide ongoing security awareness training to their staff.

⬆ Up from 68% a year ago

⬆ Up from 54% a year ago

Source: PWC Information Security Breaches Survey 2015

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What are the common HR issues at this point?

- Where is the copy of the signed Info sec policy?
- When was it last updated?
- Is it enforceable to be used for disciplinary action?
- Does it include Rules about cyber/information security?
- Did they have related training?
- Does the training relate to the procedures and rules within are policies?
- Was your employee trained recently or just at induction?
- What are the chances of an appeal?
- What is it going to cost?

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Internal Threat Mitigation Action Plan:

Board Awareness Training
set the culture of security from the top

Policy Enhancement
include cyber security procedures and make enforceable

Company-wide Training
for management and staff to adopt the enhanced policies

Policy Enforcement
ensure all staff are trained and agreed to the relevant policies

Management
allow HR to keep staff profiles and a record of signed policies

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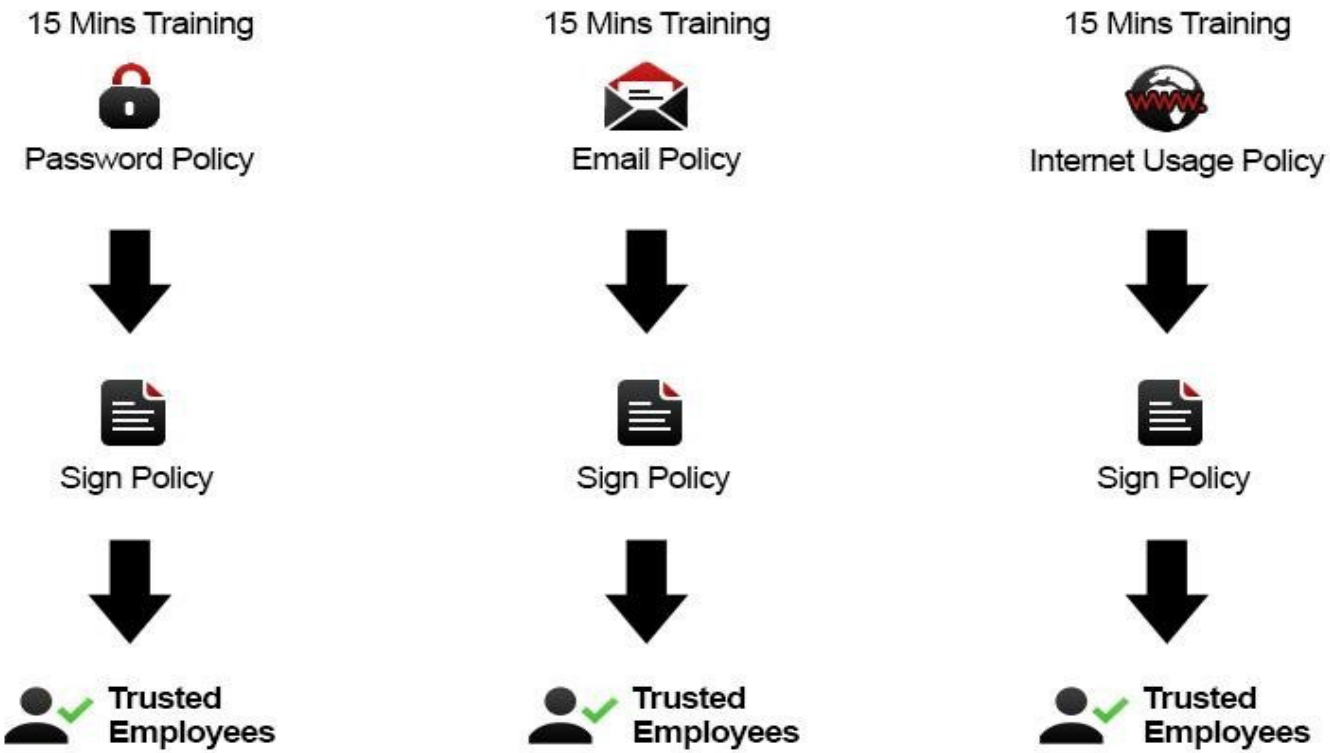

GCHQ Certified Training

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“People are your biggest asset and your greatest vulnerability”

Do you have the right culture?

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INFORMATION SECURITY STANDARDS

THE GLUE THAT STICKS IT ALL TOGETHER!

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Cyber Essentials

What is it?

Government accreditation scheme, self-assessment questionnaire

What it does:

- Provides guidance to ensure basic cyber security controls are in place
- Checks that the firm has processes for remediating common threats
- Ensures ‘80% of common internet-based threats are prevented’

What it doesn’t do:

- Staff awareness training
- Checks for any existing vulnerabilities within websites/network
- Checks that information security policies are in place

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Cyber Essentials Plus

What is it?

Government accreditation scheme, self-assessment questionnaire with technical verification

What it does:

- Ensures the company's network and website are protected from common threats
- Checks that the company's mobile devices do not present risk to the infrastructure
- Verifies that the answers in the self-assessment questionnaire are true

What it doesn't do:

- Protects from a hacking breach or any manual exploitation
- Offer complete protection from all cyber security risks
- Check that information security policies are in use

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ISO 27001

What is it?

International standard certification of your Information Security Management System

What it does:

- Sets policies and procedures to manage all information security processes in scope
- Ensures that policies are implemented and are in use
- Checks that internal information management risks have been addressed

What it doesn't do:

- Protect from the external threat to the company's IT systems such as a cyber-attack
- Train staff to recognise the cyber/information security threat
- Provide remediation of common cyber threats/viruses

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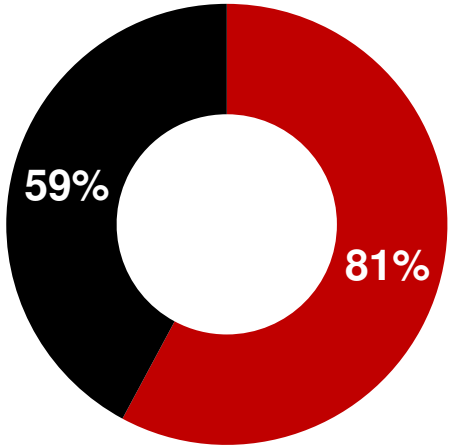
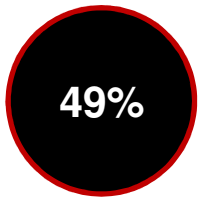
Benefits of getting certified

- Use guidance as a backbone for implementing and managing security
- Competitive advantage
- Increase potential for winning contracts
- Meet mandatory stipulations within contracts
- Enhance customer trust
- Enhance own peace of mind
- Protect assets and IP
- Address growing cyber risk



Organisations have implemented or plan to implement ISO 27001.



Of respondents badged to Cyber Essentials or Cyber Essentials Plus, on their way to accreditation or plan to be badged.

CYBER ESSENTIALS

CYBER ESSENTIALS PLUS

Information Security Management System ISO 27001 Certified

Lexcel Practice Management Standard Law Society Accredited

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Law Firms top 5 reasons For Not Embracing Cyber Security

- Education
- Management buy-in
- Transfer of responsibility – we have an IT team!
- Lack of pressure from clients/contracts
- The ‘it’ll never happen to us’ culture

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Thanks for listening!

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Conclusion

David Crawford
Relationship Manager
Clydesdale Bank

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we're with you...