



Cyber, Digital and Data risk



The Financial Reporting Lab (Lab) is inviting companies, investors and other interested parties to participate in a new project around cyber, digital and data risk. This project will consider how company processes are changing and how that might translate into useful external disclosures. Contact the Lab at FinancialReportingLab@frc.org.uk by 15 October 2021 if you are interested in taking part.

Background

As part of the Lab's recent project on [Reporting on risks, uncertainties, opportunities and scenarios](#), we found that companies face increasingly complex risks around digital processes, systems and data. The increase in risk is driven by changing business models, increased use of data, and the COVID-19-accelerated digital transformation of operations.

The government's [recent proposals on the resilience statement](#) also identified digital security risk as one of the key issues businesses are expected to report on.

We have heard that, in response to this increase in risk, companies are evolving processes, oversight and mitigations. However, such changes are not always evident in external disclosures.

We therefore want to speak to companies, investors and others with an interest in this evolving risk reporting area.

The project scope will be determined in conjunction with participants but is expected to include:

- how companies' risk management practices are evolving to counter cyber, digital and data risks;
- how boards are building expertise in cyber, digital and data; and
- how external disclosures such as risk reports, viability and (in future) resilience statements should communicate cyber, digital and data risk and what specific disclosures would be useful when such risks crystallise.

How to participate

The Lab invites investors, companies and other parties to communicate their interest in participating by emailing FinancialReportingLab@frc.org.uk by 15 October 2021.

Participation is expected to involve:

- a one-hour individual virtual meeting to discuss your views and experiences; and
- multi-party round table meetings of one and a half hours (attendance is not required at all round tables).

We expect to publish a range of outputs across 2022. Participants will be kept updated on the progress of the project and are given an opportunity to comment on draft findings.

We also welcome input from other interested parties who wish to contribute without registering as a participant.

Watch this short [video](#) to find out what it is like to participate in a Lab project. Further information on the Lab, including its publications, can be found [here](#).