

When
Friday,
February 11, 2022 12h00-13h00

Where
Zoom

(to get zoom information
parg@sprott.carleton.ca)

Cybersecurity Disclosure in the Banking Industry: A Comparative Study

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ABSTRACT

The recurrence of cyberattacks on businesses in the last decade has attracted significant attention from policy makers and capital market participants to the importance of corporations' responsibility and transparency on cyber risk and information technology governance. In this study, we investigate cybersecurity-related disclosure made by the largest Canadian and US banks from 2014 to 2020, using an exploratory approach. The banking industry has been a major target of cyberattacks due to the critical assets, data, and resources that it contains. We first develop a comprehensive index based on previous literature, current policies, best practices on cybersecurity disclosure, and consultation with academics and practitioners. We then use the index to manually code various bank reports related to cybersecurity. Afterward, we investigate in detail the time trends, differences between Canada and the United States, role of policies, cyber incident reporting, and other characteristics of cybersecurity disclosures. We then discuss banks' disclosure behaviors using proprietary cost, signaling, and legitimacy theories and provide recommendation for firms, policy makers, and other stakeholders.

ABOUT THE PRESENTER

Maryam Firoozi is an Assistant Professor of Accounting at the Sprott School of Business, Carleton University. She holds a PhD in Business Administration (Accountancy) from the John Molson School of Business, Concordia University. Before joining the Sprott School of Business she was an Assistant Professor at Concordia University and at Lawrence Technological University (United States). Before pursuing a PhD, she had worked in the financial industry for several years. Her research interests are in the intersection between corporate governance mechanisms, corporate disclosure, and information technology. Her current research mainly focuses on the impact of digitization on corporate governance and corporate disclosure. Her research is published in peer-reviewed business journals such as the *British Journal of Management*, *Corporate Governance: An International Review*, and *Journal of Information Systems* and has been funded by Social Sciences and Humanities Research Council (SSHRC) Insight Development grant, CPA Canada-CAAA research grant.

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