

A Company's Security Posture as an Element of Goodwill?

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Based on Financial Standards

- FASB 142 – Accounting for goodwill
- FASB 86 – Accounting for the costs of software

FASB 142 #5

“This Statement applies to costs of internally developing goodwill and other unidentifiable intangible assets with indeterminate lives. Some entities capitalize costs incurred to develop identifiable intangible assets, while others expense”

Does a company’s security posture have an indeterminate life?

- Security posture in general does, a *specific* security posture based on a particular set of security conditions and configurations may not.
- Needless to say, a security *appliance* has a definite life.
- A security policy has an indeterminate life although a particular version of a given policy has only a determinate life.

Elements of a company's security posture

- **A tangible portion** – for which the costs of development, testing, and maintenance can be collected (at least in theory). A company's records (i.e. that would be subject to a potential breach) are a tangible asset or tangible portion of some other asset
- **An intangible portion** (IBM annual report declares intellectual property and acquired processes to be intangible assets)