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From the June 2010 Issue

Another busy season is chalked up in the history books, and it is time for firms to evaluate opportunities to improve their firm processes while they have the luxury of the slower extension season to make sure they get things implemented right. To help firms get a jump on deciding specifically which technologies they should be looking at, the Association for Accounting Administration (CPAAdmin.org)

surveyed 115 member firms at the tail end of busy season to find out what technologies

they were already using, and which they felt would be the most important for firm administrators and partners responsible for firm technology to push through over the next few months. The survey focused on six core working areas, encompassing

the following: Security, Firm Productivity, Network Infrastructure, Firm-wide Management, Mobility, and IT Governance/Compliance. The findings are outlined here.

SECURITY

The top security technology for firms to evaluate this year was Encryption, which included hard disk encryption, file encryption and email encryption. Thirty-seven

percent of respondents had already addressed the topic and implemented solutions in their own firms. From our experience, we have seen medium and larger firms implement solutions such as TrueCrypt, Sophos, PGP and DriveCrypt.

While many firms have utilized passwords on attached files to protect that data, not many have been utilizing end-to-end email encryption, which will probably

change due to laws passed in Nevada and Massachusetts promoting encryption.

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items had varying percentages of adoption, it was noted that 60 percent of firms felt they had implemented adequate firewalls and Internet security. This leaves 40 percent of respondents with a major concern that we would suggest they have an independent third party evaluate immediately!

FIRM PRODUCTION

The second area of technology addressed in the survey had to do with those tools that promoted better client service. Not surprisingly, respondents voted Portals for Client Delivery the number one technology, with 45 percent of participants saying they had already implemented a portal solution. I have seen good adoption of products such as **LeapFile** (www.leapfile.com),

FileGenius (www.filegenius.com)

and **ShareFile** (www.sharefilecpa.com)

as stand-alone tools, but I feel that for those firms that have already implemented a document management solution, it is worth paying a little extra for the integrated portal solution to minimize administrative time for transferring and managing files (see www.CPATechAdvisor.com/go/2775 for more on portal technology).

Promotion of “Next Generation” accounting products from **Thomson Reuters** (cs.thomson

reuters.com) and **CCH, a Wolters Kluwer business** (www.cchgroup.com)

that have been re-written and based on a central core of data was the number two firm production technology selection. With only 14 percent of respondents already installing them, you can bet many of us will be talking to those firms over the summer to see which products are ready for adoption this year. The third most important production technology selected was developing an Electronic Data Retention Policy that would support the firm's transition to “less paper” technologies, which just over one-third of firms had implemented.

There were 11 other process improvement topics discussed with scanning technology

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2010, we have seen virtually all Windows 7 adoption specifically within the IT departments and almost none in the tax, audit or accounting areas, where there would be the most to gain. With many firms still standardized on Windows XP, and an operating system upgrade long overdue, we anticipate firms will move all new PC purchases to Windows 7 from now on after a very short pilot period. While we anticipate that there will be some issues with accounting applications early in the summer, the vast majority will be worked out by the fall, allowing firms to move towards the 64-bit platform and take advantage of significantly more RAM (as XP had approximately a 3GB limitation).

As firms move to multiple monitors (which 47 percent had already done), they will require more RAM to handle more applications being open simultaneously. The number two network infrastructure technology recommendation was to move to Internet Based Backups, which 18 percent of firms were already utilizing. A significant increase in Internet bandwidth available to firms at a lower cost is making the backups more feasible, and many IT companies and data centers are now offering this service at a price that is much less than buying a new tape backup and the required number of tapes. (Read more about online backup at www.CPATechAdvisor.com/go/2741.)

The third most recommended network infrastructure was Server Virtualization, which 36 percent of respondents had implemented. This technology utilizes software to run independent instances of accounting applications on a very large server to make it act as if each application was running on its own server, which translates to measurable cost savings from both a hardware and support view, making it a great technology for those firms replacing any servers this year (see www.CPATechAdvisor.com/go/2450 for more on virtualization).

FIRM-WIDE MANAGEMENT

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of the year approaches.

The number two management technology selected was Disaster Recovery/Business Continuity, with 30 percent of firms claiming to already have adequate solutions in place. As firms transition to web-based cloud computing applications, we anticipate that the vendor will take more responsibility for backing up the data and making it available through other means, taking much of the burden off of firms. (For 6 Steps to a Business Continuity plan, see www.CPATechAdvisor.com/go/2773).

The third most important Firm-wide Management technology selected was having an Electronic Data Retention Policy implemented, which was also a priority in the Firm Production/Process Improvement items mentioned earlier.

MOBILITY

Sixty-five percent of survey respondents had already implemented Remote Access Tools, making it the top mobility technology firms should have in place. This would encompass using server tools such as Windows Terminal Server and Citrix, as well as smartphones and air cards connected via the digital cellular networks to connect from any place when needed. The second mobility priority was adopting Field Networking Best Practices, which one-third of respondents felt they had done. This would include processes to ensure that personnel working in the field can easily connect to each other and shared resources such as printers, scanners and data drives. More than 51 percent of firms were already using Mobile Communication

Devices such as smartphones and Internet-connected workstations, which we feel will become standard for all mobile workers in the future.

COMPLIANCE/GOVERNANCE

The final section of the AAA Firm Administrators IT survey dealt with “following

the rules” imposed by legislation and designated within the firms to manage

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was one of the top three security technologies selected in the first section.

The third governance item selected was Compliance with State/Federal Regulations, with less than one-third of firms feeling they were adequately covered. With a continual stream of new legislation coming from all sides, firms will need to find a way to identify practical guidance on what impacts them, which we expect to come through the AICPA and the accounting firm associations via designated experts in the firm ... so expect a more formal infrastructure to evolve.

The complete results of the survey can be found on the Association for Accounting Administration website. Firm administrators and partners in charge of firm technology should review these findings to see how they stack up against peer firms and to help prioritize their technology initiatives for the year ahead. Now is the best time to act on these items, so go get started!

Technology

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