**CPA**
Practice **Advisor**

*Disaster Planning section from the November 2006 issue.]*

On June 24 and 25, 2006, torrential rainfalls flooded the IRS headquarters, leaving over 25 feet of water in the basements. Over 2,700 workers were displaced, and 3 million gallons of water was pumped out over four days to reveal damaged electrical systems, heating/cooling systems and stored information. We have all feared a natural disaster such as a flood; and yet, typically the issue is only elevated on our danger radar after a disaster has happened to a colleague or a friend or after such an event has been widely reported. Hurricane Katrina is a recent example. But what about everyday disasters that are not fires, floods or natural causes? Do you really know what dangers lie in wait just around the corner? Or should we say inside your computer, coffee mug or perhaps a devious mind.

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**Evaluate your firm's protection level:**
• If your business were to lose its data, how long would it take to recreate?
• Could your business survive without its customer records, e-mails, financial data and other documents?
• Because data is so important and because data is so vulnerable, every business needs a proper method of backing up. Is your backup plan good enough? Has it been tested?

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**Disaster recovery statistics:**
• Nearly half of small companies that lose business-critical data in a disaster do not reopen after the loss.
• 90 percent are out of business within two years.

• 12 percent of data loss is due to Software Error — compatibility issues, programming errors, improper application termination.
• 7 percent of data loss is due to viruses and hackers.
• 7 percent of data loss is due to disasters such as terrorism, theft, fire, flood and storm.

*This information was provided by Acct1st Technology Group LLC (www.acct1st.com).*

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