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Roman Kepczyk • May. 28, 2008

Information technology is integral to every aspect of production within tax and accounting firms, and to help practitioners understand and benefit from current technology opportunities, the AICPA created the Top Technologies initiative beginning in 1989 to deliver a list and resources for members. The 2008 list continues this tradition with two central themes that firms should take note of: better safeguarding of confidential information and leveraging the investment in IT resources. While the list is also designed to apply to accountants in industry and education, this article will focus on how the items on the list apply to tax and accounting firms and further identify resources to help sharpen their awareness and ability to take advantage of these initiatives.

Information Security

Not surprisingly, the top item is security, which becomes increasingly important as firms transition to a digital environment where every document is stored on the firm's network. It is the responsibility of the firm to protect this information, and firms are doing this internally with document management systems that have an audit trail to ensure they are aware of who is accessing which files.

Having real time anti-virus, anti-spam and malware protection is important to minimize the opportunity for outsiders to take control of individual workstations as well as having a firewall that is protecting the firm from external Internet threats. Firms should regularly run a port test such as ShieldsUp! from GRC.com to see which ports are open and discuss this with their external network integrator, particularly when a change in Internet connectivity or server infrastructure occurs. Firms should also be cognizant of physical security into their building and have unique access codes or cards for each person, as well as securing the

server room and physically locking down equipment (i.e., using cable locks on

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It is also suggested that the firm provide an annual educational session to all personnel to make sure they are aware of these changes and remind them of firm policies. The IT person or committee is also responsible for being aware of evolving technologies and making sure that firm management is aware of current and future requirements by monitoring the firm's budget and technology plan. The AICPA was involved with developing the CoBIT framework, and an organization called the IT Governance Institute recently released its 2008 IT Governance survey on attitudes and awareness from senior IT and non-IT related executives. The survey is available on their website (ITGI.org) and can help IT departments get a handle on this concept.

Business Continuity Management and Disaster Recovery Planning

This technology initiative focuses on what your firm needs to do when things go really wrong. The first component that every firm should have in place is an immediate response document that identifies who should be notified immediately in an emergency, how the firm will communicate with employees and the media, and where personnel will congregate when the firm's building is inaccessible. The AICPA has a document entitled "Disaster Response — a Plan for CFOs and Controllers" that helps firms address disaster planning, and Dr. Bob Spencer's site, www.TSIF.com, has a template available for firms to download. Firms should have a written plan that is updated and tested annually and stored offsite in a format that is readily accessible.

Privacy Management

Privacy management is tough in a "world without privacy;" and while some firms have privacy policies, they may not be following them, particularly in regards to marketing efforts and business partners that may have access to

some of this data. To understand this initiative better and to help firms protect

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with virtually all document management tools, there are strong stand-alone tools such as Xpita's XCM product that are raising the bar for workflow. Today's practice management programs also integrate alerts to notify firm members of events such as a receivable hitting 90 days or a project hitting 50 percent of budget, so the firm can be notified immediately. (See The CPA Technology Advisor's recent webcast on workflow at www.CPATechAdvisor.com/webcasts.)

Identity and Access Management

Initiative number six deals with the hardware, software and processes to authenticate

users and only allow access to those authorized to do so. The first step is to mandate "hardened" passwords to access the network that are at least eight characters; include an upper and lower case, punctuation, and numerical character; and that change at least every 90 days. Some firms are also using multi-factor authentication that includes security keys or fobs, and it is expected that biometrics will eventually be utilized.

Conforming to Assurance and Compliance Standards

With all the regulations impacting how data must be managed within a firm, it is important to not only be aware of what the firm is responsible for protecting, but also ensure that it is doing so properly. HR records including medical and insurance forms with personal data must be in compliance with HIPAA standards, credit card and banking information may have issues with Graham Leach Bliley regulations, and state cyber security laws are being passed that may already affect the firm. To assist with this, the AICPA has developed an IT Risk Assessment Framework, and firms should contact their state society to find out about current rules.

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Mobile and Remote Computing

Tax and accounting professionals must be able to work from any place and at anytime, so one of the ongoing technology initiatives is the utilization of remote access tools. For larger firms, Citrix and Windows Terminal Server continues to be the dominant tool of choice, while in smaller firms the technology is centered around workstation options such as GoToMyPC and XP Remote. Firms are using digital cellular aircards and tethering their “smart phones” to their laptops to provide remote access that does not rely on a client providing an Internet connection.

Document, Forms, Content, and Knowledge Management

The final initiative on this year's list is the transition to a “less paper” environment utilizing the tools and technologies to capture information at its “root” source as it enters the firm in a format that is available to anyone that needs it. Firms are transitioning their faxes and voicemail to digital unified messaging and using scanners to capture all information electronically at the first point of contact.

E-mail and portals are being utilized to move and manage data that is already in an electronic format. Most firms are building their content management around a document management product that integrates with their tax production and has integrated workflow as described in Initiative #5. In the future, it is expected that Microsoft's SharePoint platform could become a content/knowledge management tool that could compete with the best document management tools available today.

While the AICPA's Top Technology initiatives are numbered in a traditional

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