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period is make-or-break for the whole year. Adopting a reliable, secure cloud-based platform designed especially for CPA firms will help reduce stress for tax preparers...

Christopher Stark • May. 02, 2022



The 2022 tax season, stretching from January 24 until April 18, 2022, was a busy one for CPA firms. Around 46,000 CPA firms worked around the clock to file their clients' tax returns on time. This period presents a lot of stress and challenges for CPA firms

as well as opportunities to improve their overall operations and productivity for the

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returns filed dating back to 2019 were yet to be processed. Many taxpayers can opt for an extension that enables them to file until October 15, 2022, which may help with the IRS backlog.

The IRS backlog is a definite headache for many CPA firms. They have expressed much [frustration with the chaos at the IRS](#) and have expressed that they felt powerless to help clients. While they can file tax returns electronically, they need to ensure the [tax returns are accurate](#) to help speed up refunds. The IRS is increasing their enforcement efforts, so businesses need to have better [recordkeeping compliance](#). With a number of CPA firms having a remote workforce, using a secure cloud-based platform is key to ensuring their clients' tax information is safe and accurate so their tax returns are not held up or audited by the IRS.

The Bad

While the 2022 tax season has been a bit chaotic due to the IRS issues, CPA firms faced their own challenges. Many CPA firms had to navigate these challenges throughout the 2022 tax season and get their clients' taxes filed on time.

- 1. Hiring & Retention Crisis.** Remote work is here to stay, so CPA firms need to adapt their operations to cater to the new workforce demands. Recruiting, hiring, and retaining accounting and tax professional talent involves [fierce competition](#) with other CPA firms. Their services are at a premium. If your CPA firm offers teleworking, remote, and hybrid work situations, then promote this benefit to potential and current employees. If the work-from-home arrangement is secure, easy, and successful, then CPA firms will likely have more success hiring and retaining their star employees if they offer a flexible work environment.
- 2. Ongoing pandemic and operations logistics.** As CPA firms continue to deal with [COVID-19 implications](#) from 2020, employees continue to work remotely, either temporarily or permanently, as well as in hybrid situations. With most

employees working from home, CPA firms still need to deal with data security and

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cloud-based technologies is one effective way CPA firms can ensure their

employees to work remotely. The clients' data is secured and employees can access the files smoothly and without difficulty since everything is integrated in their work accounts.

4. **Application & Bandwidth Issues.** If CPA firms have application and bandwidth issues during tax season, it can cause an absolute nightmare. Applications and internet bandwidth have hiccups and possibly even crash when their capacities reach their maximum. Servers can get **overloaded with too much data**. Data overload can also negatively affect the bandwidth of the internet service. By enlisting the help of a third-party IT provider, many CPA firms can avoid these maladies during tax season because the vendor takes care of the issues for you. No more application and bandwidth hiccups!
5. **Rising Cybersecurity Threats.** The tax season always presents a rise in cybersecurity threats, especially for CPA firms due to the nature of their work. They handle very sensitive tax and financial data for millions of individual and business taxpayers. According to data, CPA firms have dealt with an **80% increase in reported data breaches** since 2014. These cybersecurity issues can cost millions of dollars in damages and recovery. The top three cybersecurity issues include phishing scams, accidental and malicious insiders, and ransomware. Having a reliable and technology-savvy cloud-based platform can help CPA firms avoid the worst of the rising cybersecurity threats.

The Good

Despite the tax season being a stressful—yet very lucrative—time for CPA firms, it always **presents opportunities** to review current software, organize files, upgrade staff, improve communications, and help tax preparers avoid burnout. With cybersecurity threats on the rise, CPA firms can be proactive and review their firm's cybersecurity practices and implement security trainings for employees to better avoid cyber threats. Additionally, CPA firms can decrease their overhead costs by

moving to a cloud-based platform and retiring those expensive servers as well as

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and close the gaps in your cybersecurity.

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