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Members in Small·Local Accounting Firms

January 2000

AICPA

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Information technology permeates all areas of a company. As business dependence on information technology increases, there is less tolerance for systems that are unsecured, unavailable when needed and unable to produce consistently accurate information. Like the weak link in a fence, an unreliable system can cause a chain of events that cause trouble for a company and its customers, suppliers and business partners.

In response to concerns about unreliable systems, the AICPA's Assurance Services Executive Committee and the Canadian Institute of Chartered Accountants' Assurance Services Development Board have jointly developed a new assurance service—SysTrustSM—to provide assurance that a system is in fact reliable.

A New Kind of Assurance

Developed under the attestation standards, SysTrust is a service in which the CPA performs procedures to determine whether the controls over a system are operating with sufficient effectiveness to enable the system to function reliably. A reliable system is defined as one that operates without material impairment during a specified period in a specified environment. All attestation engagements require that there be objective and measurable criteria against which the assertion or subject matter of the engagement can be evaluated. SysTrust uses the following four principles to determine whether a system is reliable:

- **Availability.** Does the system operate and provide information in accordance with its own specified requirements? Is the system accessible for routine processing and maintenance?

- **Security.** Is the system protected against unauthorized physical and logical access? Logical access is the ability to read or manipulate data through remote access. Restricting system access helps prevent potential abuse of system components, theft of system resources, misuse of system software and improper access to and use of information.
- **Integrity.** Does the system process the information it receives completely, accurately, in a timely manner and in accordance with the required authorization?
- **Maintainability.** Can the entity change the system to support current and future reliability? It should be possible to update the system for continued availability, security and integrity.

A system must satisfy all of the SysTrust principles and related criteria to be deemed reliable. To obtain evidence that the criteria have been met, a practitioner examines the controls related to the criteria and performs tests to determine whether those controls were operating effectively during the period covered by the attestation report. The *AICPA/CICA SysTrustSM Principles and Criteria for Systems Reliability, Version 1*, provide authoritative guidance for practitioners on performing a SysTrust engagement. The materials include the principles and criteria against which the system will be evaluated; illustrative controls relating to each criterion; an example of management's assertion; a system description, which defines the boundaries of the systems covered by management's assertion and examples of SysTrust reports. For information on how to order the *AICPA/CICA SysTrustSM Principles and*



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Criteria for Systems Reliability, see the sidebar.

What's Required

To perform a SysTrust engagement, practitioners should have a number of competencies, including information technology-related skills. However, the degree of IT sophistication needed will depend on the nature of the system the CPA is examining. Many practitioners already have most of the essential skills needed to conduct an effective evaluation of internal control. With modest additional training, practitioners can enhance these skills to provide valuable SysTrust services to their clients. Some aspects of a SysTrust engagement may require more specialized IT skills, which can be brought to the examination as needed; they are not required for the entire engagement. Thus, with effective team work and skills management, practitioners can combine their talents with those of colleagues who are IT specialists to provide SysTrust services. The AICPA offers training courses on performing SysTrust engagements (see the sidebar for more information).

Potential users of the SysTrust service are shareholders, creditors, bankers, business partners, third-party users who outsource functions to other entities,

For more information...

These SysTrust publications and CPE courses are available:

Publications

- *AICPA/CICA SysTrustSM Principles and Criteria for Systems Reliability, Version 1*; Paperbound (No. 060465CPA01)—member \$14.50; non-member \$18.25; CD-ROM (No. 060466CPA01)—member \$14.50; non-member \$18.25

Note: The paperbound publication is included in each of the following CPE self-study courses.

CPE Courses

- SysTrust Service: An Overview to the New Assurance Service on Systems Reliability (No. 730027CPA01)
- How to Perform a SysTrust Engagement (No. 730026CPA01)

Each course: Member \$119; non-member \$149.

To order, contact the AICPA Member Satisfaction Center:



888/777-7077



800/362-5066



memsat@aicpa.org

stakeholders and anyone who in some way relies on a system's continued availability, integrity, security and maintainability. The SysTrust service will help differentiate entities from their competitors because those that undergo the rigors of a SysTrust engagement will presumably be better service providers—attuned to the risks posed by their environment and equipped with the controls that address those risks.

For additional information about the SysTrust service contact Erin Mackler, AICPA technical manager, Assurance Services:



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Consumer Online Purchasing Has Jumped 100%, According to Yankelovich Study

What's the growth rate of electronic commerce? According to one study, the last year has seen:

- A 100% increase in consumers who purchase products or services online.
- A 54% hike in those who shop for products or services.
- A 44% increase in online consumers making financial transactions, such as stock trades.

The 1999 Yankelovich MONITOR[®] study, the latest edition in what the company calls the longest continuously running study of consumer attitudes in America, also found growth in a wide variety of other online shopping categories.

Additionally, according to 60% of consumers, "When I look for information about companies, I almost always turn to the Internet."

"As we approach the new millennium, we are finally seeing the imprint of the Internet on consumer attitudes," says Steve Kraus, a

Partner at Yankelovich. "The Internet is empowering—it puts consumers in the driver's seat, and they are starting to take the wheel."

Sixty-four percent of consumers agree "the single most important change created by the Internet is giving consumers like me control, as opposed to marketers having all the control," and 65% say "having a personal computer has really changed my life for the better." Additionally, the study also found that 92% of consumers feel "much more knowledgeable and powerful today about what they buy and where they shop than ever before." In contrast, in the mid-1980s, before the popularity of the Internet, only about 2/3 of consumers "felt more in charge as a shopper than they used to." Sixty percent of e-consumers say they purchase online because they can "avoid the hassles of going to a store," and 56% say it is because they "can buy any time—day or night."

"The Internet has created a world without physical or intellectual boundaries," says Kraus. "It has allowed consumers to create their own options, buy what they want, when they want and in fact be who they want."

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AICPA Affinity Program: What You Need to Know

member
news

Do you know about the AICPA Affinity Program? If not, you could be missing out on valuable discounts available exclusively to AICPA members. The AICPA has arranged for leading providers of products and services for the office and home to offer special discounts that would otherwise be unavailable to individual members. All AICPA members and employees are eligible to receive the Affinity Program discounts. In many cases, spouses and other immediate family members can also receive the program savings.

There are 14 companies that offer AICPA members special discounts as part of the Affinity Program:

Airborne

Members save up to 44% off the competition's published rates with Airborne Express. Program highlights include simple flat rate pricing that is easy to understand and saves time, money and confusion. Members receive free on-call pickup from most locations, and convenient online member service for package tracking, locating drop boxes and more. Call 800/636-2377 and request your free member rate quote.

Arthur Andersen's KnowledgeSpace®

Save nearly 50% off Arthur Andersen's KnowledgeSpace®. This one-stop, Web-based knowledge service is just \$500 a year for AICPA members (\$995 a year for non-members). KnowledgeSpace is an online knowledge resource that gathers news, insights, diagnostic tools and connectivity and integrates them with resources from one of the world's most trusted business advisers. Sign up for your 30-day free trial membership by calling 888/577-8778.

Dell Computer Corporation

Receive a 6% discount on Dell's PowerEdge file servers, OptiPlex desktops and Latitude CP laptops. AICPA members also save on DellWare software, accessories, service and peripherals. To order, call Dell directly at 800/568-8313 or access your AICPA member Premier Page at www.dell.com/premier. Enter your user name "AICPA" and password "CPADELL99". Then custom configure your system and place your order. Your discount will be applied automatically.

(Dell Dimension and Dell Inspiron product lines are not discounted by Dell.)

First USA Bank

The AICPA/First USA Card offers a Visa Gold or Platinum Card with a low five-billing-period introductory rate, followed by a low annual fixed rate. In addition, the AICPA/First USA Card offers "ValueMiles," a free airline travel program. AICPA members can apply for the card by calling 800/254-0910.

Francotyp-Postalia

AICPA members save 10% on all their mailing needs through Francotyp-Postalia, one of the world's leading suppliers of postage meters and mailing machines. Francotyp-Postalia pro-

vides systems for mailers who process anywhere from 10 to 10,000 pieces of mail per day. To take advantage of these savings, receive a free needs analysis, ordering assistance and complete service "after the sale," call 800/398-3886. Make sure you identify yourself as an AICPA member.

Hertz Car Rental

Receive a 20% discount off Hertz's daily member benefit rates, plus a 5%—15% discount on weekend, weekly and monthly car rental rates. AICPA members also qualify for free annual membership in the Hertz #1 Gold Club (a \$50 value). Special coupons and upgrades are available, too. For reservations call 800/654-2200 and refer to CDP #12353. For your free Hertz #1 Gold Club Membership call 888/777-7077.

IBM

AICPA members save 8% on over 250 premium quality IBM products through the AICPA/IBM Members Plus Program including ThinkPads, Netfinity Servers, Desktop PCs, ViaVoice, and products for the home office and family and you can finance your purchases through SuccessLease, a fast, easy way to keep your cash in your firm or business. If you want to establish a professional Web presence, we've negotiated a special deal on IBM's HomePage Creator. All products available through this program are covered by a 30-day, money-back guarantee. To take advantage of these special prices, shop online at www.ibm.com/smallbusiness/aicpa, or call IBM at 800/426-5800 and reference priority code 6B8XB032, value code CAP to speak with a skilled representative.

AICPA members save 8% on IBM Aptiva System Units, retail models of IBM ThinkPad, consumer monitors, printers, options and software lines. Call 800/426-7235 and refer to key code 5245 and your PIN AIC98.

Norwest Mortgage

For mortgages or equity lines of credit, Norwest provides AICPA members with many cost-saving features, including competitive rates, a zero-point option and a no-cost 60-day rate lock option. It's possible to complete the entire application by phone, with a loan decision in as little as 24 hours. And, in many cases, closings can occur in as few as 15 business days from approval. 800/272-1210.

Research Institute of America (RIA Group)

Save 10% on new purchases and 5% on renewal purchases of tax information products from the leading authority on tax research, RIA. Your AICPA membership entitles you to discounts on RIA electronic and print services, including RIA's highly acclaimed Internet-based tax research system, CHECKPOINT. Call 800/431-9025, extension 3. Be sure to provide your AICPA membership number when ordering.

RésuméMatch

This online résumé referral and job posting service allows AICPA member job seekers to post their résumés and search

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available jobs free when they register via the Web at www.aicpa.org. Registration by mail costs \$15. AICPA member employers can post an available job or conduct searches of available candidates at special “member only discounts” by calling 800/837-1804 directly.

Robert Half International

AICPA members can now receive substantial discounts on new temporary, permanent and contract professional placement fees through Accountemps, Robert Half, and RHI Management Resources. AICPA members will save 10% off permanent placement fees for Robert Half; \$25 off each 40-hour Accountemps temporary assignment (up to a maximum of \$100 for 160 hours or more), and \$50 off each 40-hour RHI Management Resources contract assignment (up to a maximum of \$200 for 160 hours or more). 888/744-4089.

Sprint

Members can cut long-distance phone bills by 5% when they sign up with Sprint and can take advantage of Sprint BusinessFlexSM, the communications plan you build your way, including low, flat in-

state, state-to-state and international rates. It's possible to change plans as your business needs change with no term plans or commitments. 800/953-4214.

Standard & Poor's

AICPA members save 20% on S&P Advantage, Advisor Insight and Planner Insight. Standard & Poor's (S&P) provides one-stop-shopping for all of the tools and information AICPA members need to manage their clients' and business' needs. Whether you are an adviser, planner, tax professional, business owner or manager, this S&P program will provide you with the most comprehensive suite of products and services at special savings. Call 800/221-5277 and be sure to mention your AICPA membership number when ordering.

Xerox

AICPA members save up to 20% on Xerox products (excluding service contracts, supplies and personal line copiers). Call 800/ASK-XEROX ext. CPA (800/275-9376, ext. 272) and mention AICPA contract #0706109.

The WebTrust Alliance of Colorado



What's the best way to market CPA WebTrustSM? For a group of CPA WebTrust licensees in Colorado, the answer has been to share knowledge and information—and even engagements—to build this exciting practice area.

The WebTrust Alliance of Colorado is made up of a number of practitioners who meet monthly under the umbrella of the Colorado Society of CPAs to share ideas and ask questions. The group has done more than talk, however, according to Verlene Ross, a shareholder of Levine Hughes Mithuen in Englewood, Colo. Three firms in the alliance together took on an engagement to seal the Colorado society's Web site. The society was interested in the Seal because it wanted to offer online CPE registration and dues payment options. To avoid complications in the engagement, the society engaged Ross's 30-person firm after a bidding process, and then her firm engaged two more alliance members—Shuster & Co, P.C., and Kishe, Leake and Associates, P.C.—to work on the project, splitting the fees accordingly.

The meetings and the cooperative engagement have been very successful,

according to Ross. “It's been a wonderful relationship,” she says of her work with the other two alliance members—both of whom came from firms with five or fewer members—and the society. As for the shared engagement, “we learned a lot. We know a lot more about how to approach the next one.”

How have the firms been able to work together? Competitive issues aren't a problem, reports Ross, who is a member of the AICPA Electronic Commerce Assurance Service Task Force. “Those of us in the group, to a firm, believe that the more seals we get up, the easier it will be to sell CPA WebTrust.” Their philosophy, in other words, is that every WebTrust engagement indirectly benefits all the licensees.

In fact, the alliance is considering whether it will continue to pool its collective expertise on future engagements—and it even has some good prospects. Throughout the process, alliance members got to know key people at the Internet service provider that hosts the society's site, and they have targeted this relationship as a possible opportunity. “As a group, our next step is to meet with them about a potential ISP WebTrust engagement or some sort of third-party service provider report engagement.”

Other WebTrust engagement possibilities for Ross include a company that provides human resources information under the umbrella of an employee assistance program. Although its site is not truly an e-commerce site, because of the nature of some of the data that may be exchanged, “they are looking for someone to provide assurance to users of the site that it is secure,” she says.

Ross believes cooperation is crucial to this service's future. “There is such a huge opportunity out there,” she says of e-commerce and WebTrust. “The more I can share from what I've learned, the farther along that will bring the service. The more Seals that are out there, the easier it will be to move this service forward.”

Correction

The Nov. 1999 issue listed an incorrect Web site address in the story “OMB Clarification of Y2K Issue.” For the correct site, see www.whitehouse.gov/OMB/memoranda/index.html.