Australian Government

TAX PRACTITIONERS BOARD

Keeping it secure

Presented by:
Debra Anderson, TPB Board Member

Welcome

'In the spirit of reconciliation, we respectfully acknowledge the Traditional Owners and Custodians of country throughout Australia and their connections to land, water and community. We pay our respect to their cultures, and Elders past, present and emerging.

Access the presentation slides: **tpb.gov.au/webinar-hub**

What we will cover today

- ✓ What is data and why is it important
- ✓ What records should you keep
- ✓ How to protect your data
- ✓ How to identify a scam
- ✓ Emerging themes and challenges
- ✓ What is code item 6?
- ✓ Disclosing client's information
- ✓ Inadvertent disclosure
- ✓ Case study
- ✓ Questions

Meet your presenter



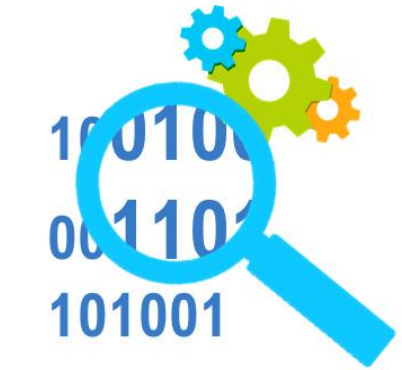
Debra Anderson

> Board member

> Tax Practitioners Board

What is data and why is it important

> In our technology driven world where online data storage is commonplace, data security is more important than ever.



What records should you keep and for how long

- Name, TFN, IDs
- Address and telephone number
- Date of birth
- Bank details
- Employment details



How to protect your data

- Privacy Act and TASA
- Notifiable Data Breaches (NDB) scheme
- Australian Privacy Principle (APP)



How to protect your data

- We consider the following to be best practice:
  - install and maintain anti-virus software
  - deploy firewalls
  - ensure you have the latest security patches
  - protect client records or files using encryption
  - regularly change your passwords
  - consider using a second form of authentication.
- You may wish to seek expert advice from an IT security provider.

Common types of scams

- Phishing
- Malware
- Ransomware
- Spear Phishing
- Remote access
- Hacking



Common indicators of scams

Things to look for and the common indicators of scams:

- Suspicious sender's address.
- Generic greetings and signature.
- Spoofed hyperlinks and websites.
- Spelling and layout.
- Suspicious attachments.



Poll 1 ☑

Have you been, or do you know someone that has been, a victim of a recent cyber scam?

- Yes, I have
- Yes, I know of someone that has
- No, I haven't

What to do if data has been compromised

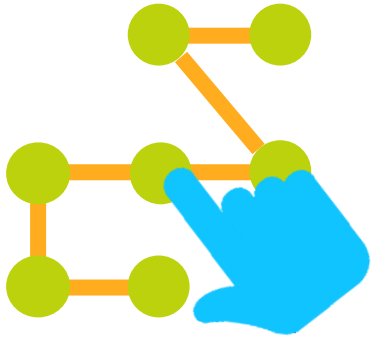


- Notify the ATO and phone their Client identity support centre on 1800 467 033.
- Review the OAIC's information about notifiable data breaches.
- Tell affected clients and staff about the data breach.
- Contact your software provider.
- Take steps to safeguard compromised information.
- Update all security software and controls.
- Remove access from people who no longer need it.

Emerging themes and challenges

Changing business practices

- We've seen significant changes, including:
  - the speed of response that technology has provided us and the expectations to receive information quickly
  - data protection and privacy regulations becoming increasingly complex
  - the need to review how data is managed.
- While all this occurs, one thing that does not change are your obligations under the TASA.



Key challenges

- Changes to accounting software.
- Impact of cloud computing.
- Implications of outsourcing and offshoring.
- Impact of cyber-attacks.



Emerging themes



- Cloud computing – the use of computing services through an online network.
- Outsourcing – transferring portions of the services you provide to third parties.
- Offshoring – the use of third parties in offshore locations to undertake elements of tax agent services you provide.
- Cyber-attacks – the deliberate exploitation of computer systems and networks.

Code item 6 – Confidentiality of client information

Confidentiality of client information

You must not disclose information relating to a client's affairs to a third party unless you have:

- obtained your client's permission; or
- a legal duty to do so.



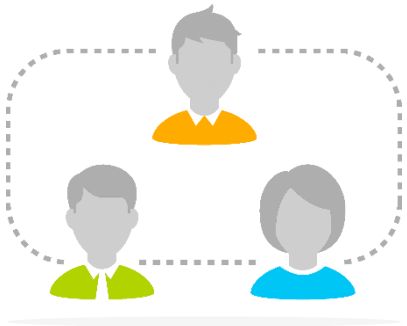
What is information relating to a client's affairs?

- Information refers to the acquiring or deriving of knowledge and can include capturing information known about a client.
- This information could be acquired directly or indirectly from the client or other sources.
- It is only necessary that the information relates to the affairs of a client.



Who is a ‘third party’?

- A third party means any entity other than the client and the registered tax practitioner.
- A third party includes:
  - a related entity of the client and/or tax practitioner
  - any entity that is engaged to outsource work
  - entities that maintain offsite data storage systems (including ‘cloud storage’).



When can you disclose information to a third party?

Obtain your client's permission

When disclosing a client's information to a third party you should:

- clearly inform the client about the information you are disclosing
- advise them to whom and where the disclosure will be made
- obtain their written permission.



Legal duty to disclose

- You may disclose information about a client's affairs to a third party without their permission if you have a legal duty to do so.
- If you are concerned whether there is a legal duty, consider seeking independent legal advice.



Inadvertent disclosure



- You must have appropriate arrangements in place to prevent inadvertent disclosure.
- Be particularly careful with:
  - using public computers
  - recycling paper that contains personal details
  - leaving client information in unsecured locations
  - disposing or reselling IT equipment
  - using external service providers
  - discussing clients in virtual meetings when a third party is present.

Poll 2 ☑

- Jackie runs a local coffee shop in Melbourne.
- She engages Tony, a registered tax agent, to prepare and lodge her outstanding business activity statements and to provide tax advice.
- Tony separately engages Bella, a registered BAS agent, to prepare Jackie's outstanding BAS.
- Before sharing Jackie's information with Bella what should Tony do?

Consequences for failing to comply with the Code

Consequences for failing to comply



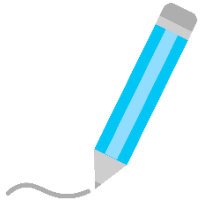
Termination



Suspension



Order



Written caution

Case study

Case study



- A tax agent company breached Code item 6 after an employee had disclosed a former client's tax information without the company's knowledge.
- The company did not have adequate internal systems in place to protect client information and guarantee security.
- Before making its decision, the BCC noted the company had revised its policies and procedures to ensure that similar issues do not happen again.
- We imposed a written caution on the company for its failure to comply the Code.



Questions

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