

8 Software Features to Look for that Simplify Accounting and Compliance

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Technology is transforming accounting firms by revolutionizing how work gets done. By leveraging automation and AI, technology is able to help accounting firms accomplish more without having to work longer hours and feel burnt out.

With the market being flooded with options, it can be difficult to understand which option is best for you. Rather than leaving it up to guess work, here is a quick guide to help you make better sense of what is in the market and 8 software features that you can look for that simplify accounting compliance and reporting.

What To Look For

It can be overwhelming when looking at software for your firm, especially if you don't know what you're looking for. Here are eight key features you should watch for to help your firm leverage technology to save time and money while staying compliant with federal, state, and local regulations.

1. Document Retention Policies

Just like you would never imagine keeping milk in your fridge indefinitely, most files at your firm shouldn't be kept forever. With your food, it's easy to know when it's spoiled and past its expiration date, but just how long do you need to store financial statements or tax information? What information or documents needs to be retained? Are there different retention times for federal or state documents? A document management solution that includes document retention functions solves that problem for you.

A software that includes document retention policies automatically tracks, manages, and organizes your documents, so you don't have



to worry about it. This helps ensure your firm is compliant with all necessary document retention policies, while also streamlining document disposal and storage processes. This will ensure your firm retains documents as long as necessary and then safely destroys them with little oversight or management from your team.

2. Automated Software Workflows

Your software should make your workload lighter, and one of the biggest places your firm's software can help is by lightening your manual data entry workload.

Manual data entry is a boring and repetitive task that will lead to mistakes. In a perfect setting, it's expected manual data entry will have a 1% error rate. That's with ideal situations. In a rush, or with employees that aren't as eagle eyed in their data entry, the error rate can jump to as high as 10% or more!

When your firm is dealing with sensitive financial transactions and statements, making a data entry error on even one data point can lead to costly errors which will directly impact your total revenue as well as your clients' trust in your firm.

Rather than accepting data entry will never be perfect, those processes should be handled by your software and handled digitally and automatically. This will ensure essential information is automatically inputted, uploaded, and securely stored every time. By making this an automatic process, your team saves valuable time from their schedules, can eliminate the error rate, and helps ensure your firm is compliant with all necessary regulations for document security and management.

3. A Secure Portal to Facilitate Client Collaboration and File Sharing

In action spy movies, when they talk to each other over the phone one of the first things they ask each other is, "Is this line secure?" They're asking that to make sure that it's safe for them to talk about the nuclear codes or whatever national secret they're trying to protect. That same question should be asked whenever you are dealing with your clients. Just like James Bond would never imagine talking over a non-secure line, you should never work with your clients over a non-secure portal.

As an accounting firm, you have access to your clients' most sensitive and personal information, which should always be protected. Just like you would never leave your office door unlocked

with your client's banking information left out in the open for anyone to see, you should also ensure their security when working online.

A secure client portal helps protect their information, and gives you a way to communicate freely with your clients. A software that offers a secure portal keeps your client's information secure, while also providing you a safe, secure route for them to communicate or share information back to your firm. This will help you communicate freely with your clients, share documents, and collaborate while knowing your communications are always safe.

4. Encryption for Emails

Email is an amazing tool for communicating with clients. Once you hit send, you know that your message will automatically show up in their inbox and there's even a good chance that they'll get a notification on their phone. You can reach out and communicate with your clients at any time no matter where they are with email.

But regular emails pose a threat to your clients. They aren't secure. If a hacker intercepts a regular email, there's very little stopping them from being able to read and steal information directly from it. If you were writing letters to your family and friends about your vacation, there's no real risk if a hacker intercepted that information. However, as an accounting firm, when you email your clients there's a very real chance that you're sharing financial reports, banking information, and even tax return data.

Your firm's document management software should provide encryption options for all email communications. This will help keep client's information protected against prying eyes, and ensures you are not at risk for non-compliance with federal and state regulations.

5. Multi-Factor Authentication

It's impossible to get an accurate number, but it's estimated that over **30,000 websites are under attack daily**, with a third of the population falling victim to cybercrime annually. Accounting firms and practices are under even further attacks due to the sensitive and valuable nature of the data they access.

6. Various Permission Sets

If you have an office, you don't give a master key to every employee because not everyone needs to be able to access every corner of your office. In the same way, your software should allow you to establish permission sets.

Permission sets are like digital keys giving different users various levels of authority and access to different corners of your firm and client information. You should look for a software that allows you to create a wide range of customizable permission sets ensuring that each employee has access to information they need to do their job, while still protecting sensitive and private information that should not be accessible from everyone.

7. Electronic Audit Trails

How amazing would it be if when you lost your coat that you could access a print out that showed exactly who the last person was that touched your coat, where they moved your coat to, and where to find your coat? You'd never lose your coat again, and you'd always know that if your partner or spouse cleaned up after you, exactly which closet they moved your coat to.

Electronic audit trails work in similar ways to ensure compliance, while also making it easy to track and understand your firm's workflow. An electronic audit tracks each user and their impact on each document. If they modify, delete, edit, rename, or add any information, that is all

included as part of the trail. This is important because if information is ever removed or lost, it's easy to track it back to who lost that information and when it was lost.

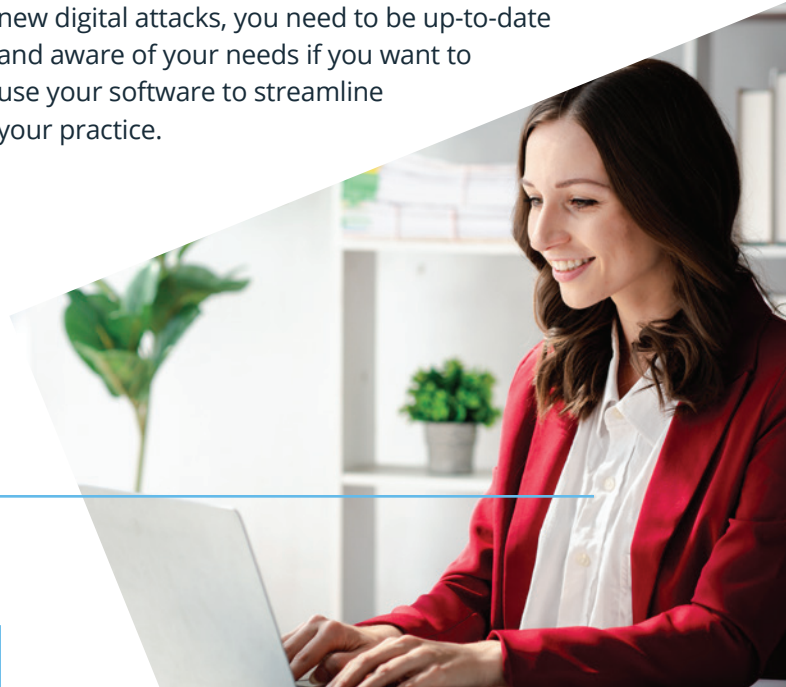
Because all actions are recorded, software that provides electronic audit trails also protects your firm against hacks and data breaches. If there is ever a data breach or documents are edited by an unauthorized user, it is recorded within the audit and can be part of the compliance risk report to help you better protect your information.

8. Consistent Updates and Patches

The laws and regulations surrounding accounting are continually evolving and updating. Just because you followed the tax codes, compliance regulations, and legislations from last year, does not mean that you're in compliance this year.

To stay up to date, you either have the option of buying a new payroll software every fiscal year to ensure you're up to date, or choose a software platform that consistently offers updates and patches to ensure you are compliant with all relevant legislations.

Software that isn't frequently supported with updates, patches, and bug fixes can do more harm than good. With the frequent updates to regulatory standards and the continual risk of new digital attacks, you need to be up-to-date and aware of your needs if you want to use your software to streamline your practice.



Technology Makes Accounting Easier

The technology that is available to you today is becoming more and more advanced, providing the accounting industry new ways to grow. The biggest benefit of this technology is that it provides you the support and resources you need to make your day easier.

Here are some of the most common forms of technology you may run into while looking for the best software for your firm, and a bit about how it can help you work smarter.

Artificial Intelligence and Automation

Automation and Artificial Intelligence (AI) are the newest boogeyman in accounting. Just like when computers and spreadsheets came out, there was a massive fear in the industry that technology was going to take over the industry, the same thing is being said about automation and AI.

Automation and AI increases the efficiency and accuracy of completing essential tasks throughout your firm. It saves you time by removing repetitive manual tasks, and giving you more time back to handle the tasks that need your experience and knowledge. A firm that integrates AI and automation is able to streamline their processes, getting the most done with the limited time that we are all working with.

Data Analytics

It is impossible to make good business decisions without accurate information. Rather than basing decisions on gut feelings or intuition, data analytics provides decision-makers with the relevant information they need to create a plan of attack based on facts rather than emotions which brings better results.

The best software solutions are able to provide meaningful insights to your entire firm, and provide up to the minute insights into your work. This provides you with better insights and lets you gain a fuller picture of what is happening at your firm so you can make the best decisions going forward.

API Integration

We all know how important it is when working as a team and collaborating that you have transparency and communication. By keeping up with communication, information never gets lost or forgotten, and your team is able to work together as a cohesive unit.

That same level of collaboration and communication is essential in your team of software solutions. Most firms choose to use multiple software solutions to solve various problems across their firm, and it's vital for your software to communicate and collaborate with each other. But when it comes to collaboration between software programs, it's not called collaboration, it's integration.

Integration between your software platforms ensures that client data and information is easily transferred between each platform, ensuring that data is never misplaced or left out. The best software for your accounting firm is a software that easily integrates with the suite of solutions you already use. By being fully integrated, a new software solution can strengthen your entire firm, rather than affecting a limited silo.

Technology Comes with Risks

With these technological advancements that help organizations save time and money, they are not risk-free. Risks match the solution you choose to use. When everything was done by hand, and there was a physical record of every document, theft and burglary were much higher risk factors.



With the movement to digital and cloud-based solutions, burglary is less of a concern, and instead, digital risks like hacking, phishing, and data breaches are more prevalent. Unfortunately, emerging technology comes at the cost of creating new risks for firms.

Risks Create Regulations

Accounting is one of the heaviest regulated industries in the market because we deal with our clients' most sensitive and valuable information - their money.

Regulations are set to help protect against risk and the loss or theft of assets. When funds were all physical, a strong vault and a few guards were

enough to protect against theft; however, as we continue to grow digitally and find better digital practices, there must be regulations that help protect clients in that digital space. Each new digital tool and solution brings the possibility of new regulation.

Simplify Compliance with the Right Software

Not all software is equal, and using software that provides the support you need for your industry to get the best results is essential. Because there's such a wide range of compliance regulations, you must have the coverage you need.

Do More with IRIS

With over 40 years of industry experience, IRIS knows what you need and designs products from the ground up, specifically for professionals like you. Our [document management solutions](#) help streamline your firm's workflow, making it easy to always have the document you need when you need it.

Discover how our [accounting software](#) can help streamline your firm, saving you time and money.

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IRIS partners with thousands of CPA firms, payroll service bureaus and small to midsize businesses across North America, including 52 of the top 100 US CPA firms. We offer innovative Payroll and HR solutions, making us the preferred partner in the region. Globally, IRIS serves over 100,000 customers, with 80% having tenure of five or more years.

