

Why SMEs need cybersecurity

Data is at the centre of everything in today's digital era, and cybercriminals continuously get better at stealing it. Therefore, it comes as no surprise that data privacy and improved cybersecurity have become key business issues, says Microsoft's SMB lead, Nick Keene.

Keene, who spoke at SAICA's recent Cloud in Practice conference, says it is imperative that business need to understand the importance of keeping data secure, as they will be held more and more accountable for non-compliance. Accounting professionals and other businesses and organisations who work with personal data will in future not only have to comply with South Africa's Protection of Personal Information (POPI) act, but may also be affected by the General Data Protection Regulation (GDPR), which came into effect on 25 May 2018 in the European Union.

The GDPR regulates the collection, storage, use, and sharing of "personal data", which is defined very broadly as any data that relates to an identified or identifiable natural person. "Because of the broad definition, data can reside in places that can easily be overlooked, such as customer databases, feedback forms filled out by customers, email content, photos and CCTV footage. Loyalty programme records, HR databases, IP addresses, cookies, file shares and cloud storage are other places where personal data can be found," Keene explained.



According to Keene, the GDPR codifies and unifies the data privacy laws across all the EU member countries. "It is not only applicable to citizens and organisations within the EU, but also applies to any company or organisation doing business with a citizen of the EU. It also regulates EU organisations processing personal data anywhere in the world, whether it is for goods or services offered, and independent of whether payment is required or not. It is applicable to organisations of all sizes and all industries, whether private business, government agencies or non-profit organisations. In practice this will mean that any South African auditing practice doing business with somebody from an EU country will fall under the GDPR, no matter how small the practice. Once you collect data from that customer because of a business transaction, you are subject to the rules and regulations of the GDPR. There are no exceptions for enterprise, size or scope, and one of the requirements is timely reporting on data breaches."

Keene explained that the enforcement of the GDPR will result in enhanced personal privacy rights, an increased duty for protecting data, mandatory breach reporting and significant penalties for non-compliance, and that businesses must make sure that they are compliant.

But being GDPR compliant is not only bad news for business. "It is an important tool to learn what your organization's data footprint is. Not only can it show data flows and maps, but also how 'hygienically' and securely the data is kept and handled. It can also show which data can be minimised, deleted or anonymised because it's not being used."

Improved or documented information governance and cyber resilience is another advantage of being compliant. "It can provide excellent return of investment due to appropriate prioritisation, and it can empower employees by clearly defining their roles and responsibilities."

There are various factors impacting on a company's trustworthiness when it comes to doing business in the cloud. Keene therefore warned against what he called DIY IT solutions. "Rather trust cloud providers like Microsoft with your data. They can do IT better and are geared to minimise vulnerabilities."

When choosing a cloud provider, make sure they are committed to principles worthy of your organisation's trust. "A trusted provider like Microsoft will implement strong security measures to safeguard your data while providing you with control over it to help keep it private. They will also help you meet your specific compliance needs and explain what they do with your data in plain, clear language."

Keene gave a short interview of the security threats of the last decade or two. He explained that as attacks are getting more and more sophisticated, organisations have to guard against unpatched vulnerabilities, misconfigured systems, weak passwords and social engineering.



"People are often the weakest link in a company's security and the easiest target for hackers, as in the case of phishing scams. With advancing security solutions, hackers are more apt to go after easy targets through social engineering. They are constantly evolving their tactics for maximum efficiency," Keene warned. "Popular tactics for luring people through phishing scams include asking them to click on email links and attachments, domain spoofs and domain impersonations, user impersonations and links to fake SaaS apps. Microsoft detects an average of between 180 and 200 million phishing emails per month."

Another way through which cyber attackers can infect and take control of computers, are botnets. "Bots are programs that allow attackers to infect and take control of computers, and botnets are a network of those bots controlled by command-and-control (C&C) servers."

Being GDPR compliant is unavoidable, says Keene. "But trusted cloud providers see protecting customer data as a priority. We design our products and services with cybersecurity in mind and have systems in place which can immediately detect any breaches. We also continuously monitor and respond to changes in the threat environment, and partner with others who can help us combat online crimes. Our job is to protect, detect and respond."

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Who is who in the zoo?

Demystifying the roles in your finance department

We have all heard of accountants, auditors, bookkeepers and management accountants, but do we understand the roles they play in our businesses?

As businesses grow and evolve over time, the specific needs in the finance department will change. It is important to realise that allocating employees to the wrong roles in financial departments could lead to incorrect financial information and unsound management decision making.

The most used roles are described below.

The Bookkeeper

Bookkeepers are responsible for day-to-day business record keeping. This includes the systematic record keeping of an organisation's transactions, usually from some sort of documentation directly into an accounting system or a spreadsheet.

Typically, a bookkeeper would capture transactions from financial records such as purchases, sales, purchases returns, sales returns, and cash books. The result of a bookkeeper's function is to produce a trial balance in which the debits and credits are balanced.

Bookkeepers often practice without any form of formal financial education and training, and mostly rely on on-the-job experience.



The Accountant

Accountants typically have formal education and training that usually include a degree or a diploma in either accountancy or general business majors.

Accounting is a business language which provides information about the financial status of a business. It is a complete procedure which starts at the recording of transactions and ends on reporting of the financial statements at the end of the financial year. Thus, accounting includes an element of bookkeeping but goes much further as well.

An accountant has a mid-level position in the financial department and reports to the financial manager or financial director. Their duties include overseeing or performing billing, postings of general ledger entries, and reviewing of certain accounts to ensure that the annual financial statements are accurately drawn up.

The Financial Manager / Director / CFO

Financial managers have extensive formal financial education with a postgraduate qualification of some sort. Training is usually done in the form of articles at an accounting firm for a period of no less than three years, resulting in this member obtaining a financial title. These titles typically include a chartered accountant or a professional accountant.





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Financial managers use the work of the bookkeepers and accountants to strategically plan how a business should earn and spend money. This includes decisions about raising capital, borrowing money, and budgeting. Financial management also involves setting financial goals and analysing data.

Financial managers oversee the accounting department and form an integral part of the senior management of any business. Their role extends beyond the finance department and should support the business in interpreting financial information to the benefit of the organisation.

Others

Various other roles exist that are related to the finances of a business. These include:

Auditors – Highly educated and trained individuals who inspect a company's financial records to ensure that the information presented for decision making is complete, accurate, and valid.

Certified financial analysts – Extensively trained individuals who specialise in the analysis and interpretation of large volumes of complex data. They are typically employed by larger entities to add value in seeing "beyond the numbers".

Management accountants – Specialised accountants who deal in complex costing calculations in larger manufacturing businesses. Their role is to optimise production, buying and selling volumes, and the product mix.

Conclusion:

Every business is unique and there is no single solution relating to finance personnel to suit all entities.

In the life cycle of a typical business, it normally is not required to have an in-house accountant or financial manager during the initial phases. These services can be in-sourced as needed and eventually these positions can be filled internally once the business has grown sufficiently.

The role of the accountant cannot be filled by a bookkeeper and neither can an accountant perform the function of the financial manager or director. Expecting these roles to be filled by members not in the financial department and who do not have the required skills or expertise is inviting disaster. This single decision can be the killing blow to well-established businesses.

It is of utmost importance to know the strengths and capabilities of your own finance department to avoid the costliest of mistakes.

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