

**PROVIDING INFORMATION
TECHNOLOGY RISK
MANAGEMENT SERVICES:
OPPORTUNITIES FOR THE
REGIONAL CPA FIRM**

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VALUE PROPOSITION

WIN <i>FOR YOUR CLIENTS</i>	WIN <i>FOR YOU</i>
<p>Through YOU, gains access to highly-qualified information technology risk management practitioners.</p> <p>Obtains capabilities to cost-effectively manage IT-related business risks.</p>	<p>With minimal investment, obtains a highly-qualified information technology risk management capability.</p> <p>Flexible staffing and pricing terms to leverage specialized skills to enhance revenues and competitive client services.</p>

HEADLINES AND BUSINESS REALITIES DRIVE THE DEMAND FOR SERVICES

- “Dozens of software vendors are in danger of failure. What if one of them created the code your business depends on?” (Business 2.0 3/02)
- “64% of the 558 respondents in the CSI’s 2001 Computer Crime and Security Survey admitted losing money due to computer breaches” (Smart Business 4/02)
- “CIOs need the approval of their CFOs to get funding for IT investments, while CFOs need assurance that those investments will provide real business value for the company” (CIO4/1/02)
- “A full 6% of all online orders originating from users in Malaysia prove to be fraudulent. Similar rates occur in Israel” (Business Week Online 2/5/02)
- Risk management has consistently been cited as one of the top-three CIO concerns in surveys conducted by META Group in recent months. (Meta Group News Analysis 3/29/02)

HEADLINES AND BUSINESS REALITIES DRIVE THE DEMAND FOR SERVICES (CONT.)

- “Since boards of directors are ultimately accountable for the well-being and perpetuity of the organizations they govern, directors need to learn to ask the right questions about information security as a part of their most fundamental responsibility, the duty of care”
 - » “Information Security Guidance: What Directors Need To Know,” developed by The Institute of Internal Auditors in cooperation with the National Association of Corporate Directors, and supported by the Critical Infrastructure Assurance Office of the Department of Commerce
- Business Realities
 - Businesses are increasingly **dependent** on information and the systems that deliver the information.
 - Businesses are subjected to increasing **vulnerabilities** and a wide spectrum of computer-based threats.
 - The scale and costs of current and future technology-related **investments** continues to significantly grow.
 - Technology creates the opportunity to dramatically **change** the business, its practices and service delivery by creating new opportunities and reducing costs.
 - For many organizations, information and the technology that supports it represents the organization’s most valuable **assets**.

REGIONAL CPA FIRMS RESPOND TO THE DEMAND

- “Since 9/11, we don’t have to convince people to invest in DRP. It has become more important and people want to do it right”
 - ***Bruce Arnstein, COO, Eisner Information Solutions, Accounting Technology (2/02)***
- “What are you doing to secure your company’s assets? Breaches in security can lead to loss of market share, trade secrets and opportunity”
 - ***Marcum & Kliegman web site (4/1/02)***
- “TAS includes the analysis of traditional technologies as well as e-Business solutions, technology and operations control consulting and risk mitigation, and disaster recovery planning”
 - ***Amper, Politziner & Mattia web site (4/1/02)***
- “Services include business risk analysis, security and control procedures review, disaster recovery planning”
 - ***Anchin, Block & Anchin web site (4/1/02)***

IT RISKS IMPACTING THE SUCCESS OF THE BUSINESS

- Security-Related
 - Not applying security patches timely
 - Leaving factory default settings unchanged
 - Not enforcing need-to-have access
 - Not considering network security as important as physical security
- Management-Related
 - Failing to understand the business risks associated with systems
 - Improperly managing vendors
 - Not documenting operating procedures
 - Not getting help when needed
- Continuity-Related
 - Failing to identify mission-critical applications
 - Not knowing what has been paid for or who knows what
 - No continuity plan or no testing of the plan
 - No backup or appropriate off-site storage
- Integrity-Related
 - Not appropriately testing new applications
 - Not reconciling & reviewing control reports
 - Customizing the system rather than the process
 - Failure to use what's available
 - Users are not trained to use the system

SERVICES THAT ENABLE CLIENTS TO MANAGE IT-RELATED BUSINESS RISKS

- Technology Assurance
 - Financial Audit Support (including SAS 94 compliance)
 - IT Internal Audit
 - WebTrust & SysTrust
 - Third Party Service Provider Review (SAS 70)
 - Merger & Acquisition IT Due Diligence
 - Computer Forensics
 - Litigation Support
 - Computer Audit Techniques (CAAT)
- Technology Investment
 - Investment & Expense Management
 - Project Risk Management
 - Policy Development
 - Contract CIO Services
 - Pre-Implementation & Conversion Readiness
 - Vendor Management
- Security
 - eBusiness Security
 - Network Security
 - Vulnerability & Penetration Analysis
 - Digital Certificates/Public Key Infrastructure
 - ATM/POS Network Compliance
 - Privacy
 - Risk Assessment
 - Contract Security Officer
- Resource Management
 - Business Continuity Planning
 - Reliability and Performance
 - Implementation Readiness
 - Control Design & Deployment
 - Infrastructure Resource Planning
 - Strategic Planning

CO-SOURCING IT RISK MANAGEMENT SERVICES

- Provides YOU with immediate skills and capabilities to serve clients - with minimal out-of-pocket investment
- Support provided for YOUR marketing initiatives including client newsletters and web site information
- Flexibility as to how services are branded - either part of YOU or as third-party contractor
- Flexible pricing terms - retainer, project or percentage of fees
- A Potential Arrangement
 - Identification of an IT Risk Management opportunity
 - Refer the opportunity to JLCPA who assists in the sale
 - JLCPA provides the required IT Risk Management skills and project supervision (subject to YOUR standards)
 - Wherever possible, staff from YOUR FIRM assist on the engagement
 - All work subject to YOUR and JLCPA quality control standards

BENEFITS TO YOU

- Provides immediate “high-quality” IT risk management capability
- Makes available “timely” and “high-demand” services to clients
- Generates additional revenue with minimal investment
- Uses results of engagements to further client service opportunities
- Maximizes client investment by leveraging cumulative client knowledge
- Enables staff to obtain IT control related experience
- Enhances quality of work performed by using relevant professional standards (instead of uncertain standards used by technology boutiques or VARs)
- Leverage highly experienced and qualified IT resources

WHY JOEL LANZ, CPA, P.C.?

- Recognized significant IT risk management experience
 - Multiple professional firm experience
 - Clients range from single person IT functions to “bleeding-edge” global technology delivery service providers
 - Industry, consulting and public accounting experience
 - Integrated financial, industry and technology knowledge
 - Variety of professional certifications
 - Presentations at industry trade groups and professional associations
 - Published articles and books
 - Graduate school teaching
 - Active participation in professional associations
- Independent perspective

APPENDIX

- Experience
- Professional Certifications
- Articles
- Books
- Presentations
- Professional Affiliations