



Rip It Up

New privacy laws mean extra caution with personal information.

By Bailey Jung

The issue of trust and confidentiality has always been fundamental to the relationship between an accountant and his or her client. Since B.C.'s new privacy law, the Personal Information Protection Act (PIPA), came into effect two years ago, the issue has been elevated to a new level. The relationship between a CGA and his client ranks right up there with the relationship between doctor and patient and lawyer

taken belief that compliance with B.C.'s new privacy law simply means having a privacy policy displayed in the office or posted on their firm's Website. In fact, there is now a legal obligation to develop proper guidelines and procedures for the proper destruction of personal information that is no longer required for business or legal purposes (PIPA, Section 35, 2(a),(b)).

Even everyday documentation generated in the typical professional office may contain personal or potentially sensitive information. Often, the documentation is carelessly thrown out or tossed in the recycling bin by staff not properly trained in privacy and security issues. The result is that what appears on the surface to be harmless looking information is retrieved by identity thieves to perpetrate identity and fraudulent criminal activities.

Imagine what the impact or consequences would be on your practice if one of your top clients had their identity stolen as a result of your firm's carelessness or negligence.

The most secure and economical way to protect personal and sensitive information from falling into the wrong hands is to implement a proper regular document shredding program. Two options are generally available: shredding in-house and outsourcing.

Shredding in-house involves purchasing an office shredder and training staff on privacy and security issues and the proper management of sensitive documentation.

Without proper training, an employee is left to make one of four decisions each time he or she handles paperwork generated in the office. He or she can (a) file it; (b) throw it out; (c) recycle it; or (d) shred it. An incorrect decision to throw out something that should have been shredded could result in some unwanted consequences. Another drawback of shredding in-house is that most support staff in a typical busy practice are already overworked. Because shredding using an office shredder is tedious and time consuming to operate, staff may be tempted to take shortcuts resulting in some sensitive documents inevitably ending up in trash cans or recycling bins.

Outsourcing the shredding needs of an accounting office is becoming recognized as an efficient and cost-effective alternative to shredding in-house using an office shredder. Some of the advantages of outsourcing include:

- More secure than shredding in-house.
- More cost-effective.
- More convenient.
- Allows staff to focus on their core responsibilities resulting in increased productivity.

Accountants running professional practices need to change their current mindset in terms of document shredding. Document shredding, as it relates to PIPA, needs to be viewed as a business issue and not just a compliance issue. Failure to put in place proper privacy policies and procedures can result in negative publicity, damage to your firm's reputation, and even loss of clients. Clients today expect that personal and financial information they share with their accountants are kept private and confidential. Adopting good privacy policies and procedures is good business. It demonstrates respect for the personal information of your clients. It can also go a long way towards strengthening the trust and relationship between a client and advisor. ■

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and client in terms of sharing personal and confidential information. Although PIPA has been in force for two years now, it is still not well understood by many business owners and professionals running their own practice. With the introduction of PIPA and the epidemic rise in identity theft, professional advisors such as accountants need to review how they collect, use, disclose, safeguard, and destroy personal and sensitive information they collect from clients. Many accountants are too busy running their own practice to really understand where to start or how to implement a proper document shredding program to ensure compliance with new laws and to ensure that personal and sensitive information doesn't fall into the wrong hands.

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