

Tax Teams: Keeping tax data secure

Introduction

In a recent survey we asked over 400 tax professionals what was most important to them when buying tax software and the single most important factor was “Data security”. Our analysis showed that clients thought data security was 1.3 times more important than “ease of use” and it even outscored “reliability of tax logic”. We’re not planning on deviating from our position as having the most trusted tax logic in the UK market, nor are we taking any focus away from the ‘ease of use’ of our new cloud platform, but it certainly demonstrates just how much data security matters to our customers.

Why does security matter?

When it comes to data security, it’s something that vendors simply can’t afford to get wrong. The cost of security failings is well documented; for listed businesses, a security breach results in a fall in share price of 5% on average on the day a breach is disclosed and 1.8% on a permanent basis. This means that for a typical FTSE 100 firm investors could lose an average of £120 million from a single breach.

So, whilst security will never be the sole reason for purchasing a tax product, it could well be the deciding factor for ruling one out.

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A history of cloud software at Tax Systems

At Tax Systems, we’ve had software contracts with some of the largest businesses in the UK for nearly 30 years. It’s a path well-trodden for us. As part of that process, cloud has been in our DNA for a long time.

Our first foray into cloud offerings was in 2005 when we began to offer our Alphatax software via a hosted option, allowing customers the option to login to their Corporation Tax software via Citrix. Whilst not on a par with the SaaS cloud offering our platform offers today, it did require us to put security measures in place to ensure data was protected.

Since then, we have launched fully cloud-first products. In 2017 we launched our Data Entry product, allowing customers to get data into their Alphatax computations via the cloud. More recently, in 2019, AlphaVAT was launched to provide end-to-end MTD for VAT compliance for our wide range of customers. Now, with over 1000 active users across over 200 different clients, including some of the largest financial institutions in the UK, we are well-versed at ensuring we meet the needs of our customers and in protecting their data.

Our full approach to security in terms of some of the work that we do can be found in this, more technical document [[click here](#)]. Every line of code gets checked for security before it goes into the product and we use firewalls, encryption and user authentication that follow all the latest standards. In addition, we also have the solution tested regularly by an independent third-party to ensure nothing has been overlooked, ensuring that your security specialists will be happy to implement our solution.



How we are bolstering our security posture

Even though we have a long-standing history of ensuring that our clients' data is secure, we are not happy resting on our laurels. We have been working hard to continue to bolster our security armoury to ensure that we remain up to date. Here are a few of the things we are doing:

ISO27001 certification

When it comes to security standards, ISO27001 has long been deemed as the "industry standard" certification that signifies that the holder adheres to the highest standards of security.



In the second half of 2020 we appointed a new role in the business – a dedicated Information Security Officer. Having previously secured ISO qualification for previous employers, Nick and his new team brought in several measures to increase our security position and in June 2021 we undertook our first ever ISO27001 audit. Happily, we passed first time and can now proudly declare ourselves as ISO certified.

Role-based Access Control ("RBAC")

A core component of all our cloud products is the idea of "role-based access", meaning that what users can see and do in the system is all driven by permissions that are granted to them by administrators.

In AlphaVAT this means that users can be preparers and/or reviewers, and only those with the correct permissions can submit a VAT return. In addition, access can be managed on an entity-by-entity basis, meaning that users can be granted access to only the entities that they work on.

As we build our cloud platform, Alphatax360, this concept has been taken even further. For example, one of the tasks that will be required will be to migrate computations from your existing Alphatax database into the new, cloud-first AlphaCT module. We have created a specific role for this task, to ensure that administrators can limit who can perform this task, if desired.

Taking a pro-active stance with security

We know that during a software procurement process, security will always be one of the main steps. We are very well-versed at these processes, with a full-time team solely dedicated to data security at Tax Systems.



However, rather than treating this as a "tick box" exercise, we want to proactively engage with security teams to ensure that the process of transition goes as smoothly as possible. We are currently onboarding a new cloud customer a day on average on AlphaVAT and over the next two years will migrate all our existing Alphatax customers onto our new cloud-based platform.

To that effect, we are encouraging all of our prospects and clients migrating to the cloud to get in touch with our team at the earliest possible stage. To assist in conversations with internal data security teams, we have also created a detailed security brochure [[click here](#)], which details our approach to security. While it may not answer every question that your security team has, it should prove a useful introduction to our approach to data security and give them the confidence that we will meet their needs.

Conclusion

At Tax Systems we are proud of our history of serving thousands of organisations and take our responsibility as custodians of their data extremely seriously. We continue to invest in our processes, people and technology to ensure that we are at the forefront of data security. Not only do we want to make sure that we "tick the box" when it comes to security, we want to make sure it is an active topic of conversation when we speak to our customers. We want to ensure that over the coming years, as we move our product offerings to cloud-first environments, that you are confident we can remain a trusted advisor and, ultimately, keep your information safe.

