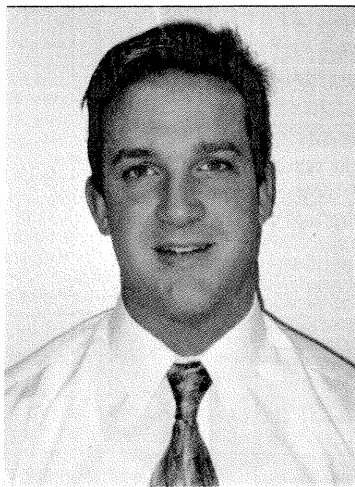


Steven Ursillo Jr. — Watching Your Back



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By Carly Lombardo

Steven Ursillo Jr., principal and the director of Information Technology and Assurance Services at the West Warwick, R.I., firm of Sparrow, Johnson & Ursillo, has been protecting clients for the last ten years.

Ursillo, chairman of the Rhode Island Society of CPAs Technology Committee as well as a board member and past president of the R.I. Certified Fraud Examiners, specializes in information security and privacy assurance services such as network and system vulnerability testing, penetration testing, and information systems audits. Ursillo and his four-person technology group get involved in installations as well as independent assessments of local area networks, wireless networks, and telecommunications.

But at a time when recent corporate accounting scandals and increasingly stringent regulatory standards, including the Sarbanes-Oxley legislation, are taking place, Ursillo's fraud detection and prevention services are more important than ever.

"The use of technology has provided a tremendous advantage to combating fraud and other control-related issues. Data analysis and system monitoring has provided us with an efficient way of analyzing system access logs as well as operational and financial transactions," says Ursillo.

When it comes to fraud detection, Ursillo detects abnormalities such as problems with inventory, purchases, or sales activity.

Ursillo provides this example: A financial institution engaged the firm to investigate one company's collateral base and operational performance that had appeared to be deteriorating. Ursillo began looking at accounts receivable and sales trends because the institution was interested in current tangible versus intangible sales deliverables. The company offered services that included hardware (tangible), software (percentage tangible), and consulting (non-tangible).

"The institution wanted the analysis to be done based on defined collateralized assets such as inventory and accounts receivable within 90 days. I used data analysis tools to compare sales journals for the three-month period corresponding to the 90 days accounts receivable balances

by customer," he adds. Ursillo found that the company had been lapping and re-dating sales and receivables. He recommended expanding to a complete fraud audit, and the financial institution ended up settling with the company.

Making It Efficient

Serving external clients isn't Ursillo's only focus. He is director of technology for the firm and keeps systems running for the CPA firm's 15 staff members.

"As a CPA firm, if you don't understand technology, you can't rise to the challenges of your clients. We're required to take on more paper and testing with the addition of regulations, and we still need to be profitable and efficient," he says.

Among recent projects is the implementation this year of a Voice Over IP system, which he believes is easier to administer than a traditional telephone system. "The main advantages are scalability to deploy it in the office, at employees' homes, and other remote locations, soft phones, access to voice mail through email, the ability to manage mailboxes through computers, and it's easy to change the phones by configurations on the computer," says Ursillo.

Ursillo is also in the early stages of implementing CCH's ProSystem Engagement, which he hopes will make the firm more efficient with compliance work, work paper management, and archiving files from engagements. The firm has begun scanning new workpapers as it brings the CCH application into product.

"We're probably not going to scan in prior-year information, other than the previous year. We're only going forward. We want to minimize storage and maximize work. I wish I could say implementing this system was going to save us file space, but it's too early to tell right now," says Ursillo.

Although in the beginning stages, Ursillo expects the return on investment to be within one year. "Our main goal is to increase efficiency, and we expect to do so by 30 percent," he adds. **AT**

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