The Next Standard: *Practical AI Steps for CPAs*

The Stewardship Advantage:

Why AI Doesn't Lower the Professional Bar — It Raises It

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In two earlier pieces in this series, I explored what I see as the two quieter advantages CPAs carry into an AI-enabled world. The metacognitive advantage — our ability to step back from the work and understand what it means, not just how to perform it. And the anticipatory advantage — our willingness to act on what we already know about where the profession is headed, rather than waiting for change to force our hand.

Both advantages assume something easy to overlook: that we will use AI responsibly in the first place.

A few months ago, I was using an AI tool to draft a sensitivity analysis for a board presentation. The output was good — clean, well-organized, the kind of work that would have taken me half a day. I caught myself about to forward it before I had really read it, and the thought that surfaced was simple: the file going to the board would still bear my name. The tool didn't carry the responsibility. I did.

That moment is where this third piece begins. The instant we delegate any meaningful piece of professional work to a tool — whether it is a tax preparation platform, a research assistant, a planning engine, or a generative AI model — a quiet but important question moves to the foreground:

> *If the machine produced the answer, who is accountable for the result?*

The AICPA answered that question before most of us thought to ask it. Effective January 1, 2024, the Statements on Standards for Tax Services (SSTSs) were reorganized and expanded to add three new standards: one on data protection (Section 1.3), one on reliance on tools (Section 1.4), and one on representation of clients before taxing authorities (SSTS No. 4). The SSTSs are enforceable ethical standards for AICPA members, and many state boards of accountancy incorporate them into their own rules of professional conduct. They are not aspirational guidance. They are the floor.

If metacognition tells us what to think about and anticipation tells us when to act, the SSTSs tell us what we still owe — to clients, to the public, and to the profession — no matter how capable our tools become.

Call it the **stewardship advantage**.

What the new standards actually require

Two of the new SSTS sections speak directly to AI-era practice.

SSTS Section 1.3 — Data Protection. CPAs must make reasonable efforts to safeguard taxpayer data and remain aware of applicable laws governing how that data is collected and stored. Importantly, this new section does not replace or alter the AICPA Code of Professional Conduct's "Confidential Client Information Rule" (ET §1.700.001) — it builds on it.

SSTS Section 1.4 — Reliance on Tools. CPAs may reasonably rely on tools used to deliver tax services — tax preparation software, research libraries, planning engines, data analytics, AI technology, and more — but reliance does not absolve the member of due professional care or professional judgment. The CPA remains responsible for the final work product. The source of a tool matters; subscription-based professional resources generally carry more weight as evidence of due care than open-internet sources.

In April 2026, Luis Plascencia, CPA, walked through both standards in *The Tax Adviser* using three illustrative sample cases. They are worth reading in full, but each one teaches a distinct lesson:

1. **Tax compliance with outsourcing.** A firm outsources data entry but keeps oversight: encrypted systems, a secure client portal with authentication, redaction of unnecessary PII, vetted controls at the external provider, and a final partner-level review before delivery. The lesson is unambiguous — a firm can outsource a task, but it cannot outsource its responsibility for the engagement.
2. **Tax representation with AI-embedded software.** A practitioner adopts tax resolution software that includes IRS transcript integration, calculators, and an AI module that suggests possible resolutions. Encryption, secure portals, and a written information security plan are in place. The lesson — using a third-party-hosted AI tool is acceptable, but the CPA must independently evaluate the vendor's controls and continue exercising professional judgment over what the model recommends.
3. **Tax consulting with AI-powered planning.** A practitioner uses AI-assisted planning software that generates projections from an uploaded return. Before the upload, the CPA masks the client's TIN and asks the client to redact any PII the software does not actually need. Sample calculations are independently verified. The lesson — data minimization is an affirmative duty, not a courtesy. If a tool doesn't need the data, the data shouldn't be there.

In every case, the same pattern repeats: the tool changes the speed and shape of the work, but the standard of care does not move.

The stakes have moved up — quietly but materially

It would be easy to read the SSTSs and conclude that this is, at most, an internal professional matter. It isn't. While CPAs were absorbing the revised standards, the regulatory environment around taxpayer data was tightening on several other fronts.

Start with the regulators. The FTC Safeguards Rule — which has long applied to tax preparation firms — now carries a teeth-bearing notification requirement: effective May 13, 2024, covered firms must notify the FTC, as soon as possible and no later than 30 days after discovery, of any "notification event" involving the unencrypted information of 500 or more consumers. Those reports may be made public. In June 2024, the IRS released a revised *Publication 4557, Safeguarding Taxpayer Data* (Rev. 6-2024), which works alongside *Publication 5708, Creating a Written Information Security Plan for Your Tax & Accounting Practice*. Together, they describe the WISP every tax preparer is expected to maintain under the Gramm-Leach-Bliley Act and the Safeguards Rule.

The profession is not standing still either. AICPA & CIMA have placed AI ethics squarely on the agenda through the AI Tax Resource Center and sessions at ENGAGE 25, framing the three pressure points generative AI puts on tax practice: due diligence, conflicts of interest, and protection of taxpayer data. And in February 2026, COSO — of which the AICPA is a founding member — released *Achieving Effective Internal Control Over Generative AI*, applying the five components of the Internal Control–Integrated Framework to gen AI risk. For CPAs in industry, that is the most explicit signal yet that gen AI use has become an internal-control matter, not just a productivity story.

Practical steps for the AI-enabled CPA

None of this requires a security overhaul. It requires deliberate practice. A short list of the moves that earn the most return:

- **Layer security controls.** Encryption at rest and in transit, multi-factor authentication on every account touching client data, and a secure client portal — not email — for document exchange.
- **Minimize what you collect and what you upload.** If a tool does not need a Social Security number to do its job, do not give it one. Ask clients to redact what isn't necessary. Mask TINs before uploading prior returns into a planning tool.
- **Vet your vendors — and your AI vendors especially.** Review the provider's security controls, data handling, and training practices. In paid AI tools, turn off model training on your inputs where the setting is available.
- **Maintain a current WISP.** Anchor it in IRS Publications 4557 and 5708, and update it annually. Document the FTC's 30-day breach notification trigger inside the plan, not separately.
- **Verify AI output the way you verify anyone else's work.** Sample-test calculations. Read the citations the model gives you, and confirm they exist and say what the model claims. Treat plausible as a yellow flag, not a green light.
- **Document the human review.** If an engagement is later questioned, the file should make clear where the CPA exercised judgment — what was reviewed, what was changed, and what was decided.

Looking ahead: Three advantages, one direction

Across these three pieces, I have argued that the future of the CPA profession will be defined less by the tools we adopt and more by the way we choose to think and work alongside them.

- **Metacognition** helps us see our work more clearly.
- **Anticipation** helps us see our path more clearly.
- **Stewardship** makes sure that path is one the public can still trust.

AI will keep getting better at producing answers. The revised SSTSs, the FTC Safeguards Rule, IRS Publications 4557 and 5708, and the emerging COSO framework on generative AI all point in the same direction: the answer is no longer the deliverable. The judgment around the answer is.

That judgment — informed, ethical, accountable, and quietly skeptical of the tools that produced it — is what makes a CPA a CPA. AI does not lower that bar. If anything, it makes our willingness to hold it the clearest signal of who we are.

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