



Netwatch

By Jim Carroll

Your guide to business & accounting on the Internet

Web of lies?

Here's something to ponder. Is it possible for you to rely on the Internet and on particular Web pages as an evidentiary tool — whether in an audit situation, in your work as a forensic accountant or as the CFO of a company responsible for maintaining records?

I'm not a lawyer, but I think this question will become one of the most important and challenging to the accounting profession in years to come. Think about it. The Internet is a huge repository of data, containing billions of Web pages. It is becoming the backbone of the world economy as business transactions become a part of it.

Now imagine yourself in a courtroom in some future litigation, staring at a Web page and being asked to state whether you agree that the contents are valid and are an exact copy of that Web page as it might have existed years before. Imagine trying to "locate" a Web page that involved an electronic signature and being asked to confirm that what you found was accurate.

Could you answer with any honesty? Maybe not, because of the limitations that exist when it comes to the evidentiary value of information from the Internet.

First off, information from the Internet is not usually subject to any form of control. Anyone can post anything online on any subject at any time, without any regard to the truth. And much of the information found on the Internet has not undergone the traditional editorial process or quality control checks (such as fact checking, due diligence, independent verification or balanced reporting) that are found in traditional media and publishing outlets. So right off the bat, you have to be cautious with any information you find online.

The next problem is that there is no easy way to determine when a Web page might have been first posted online. While the material might bear a publication date, date posted or last modified date, these dates can often be inaccurate or easily modified. Hence, you simply

cannot know with any certainty when information was first made available on the Internet.

Then there's the problem that Web pages can be easily modified — either by the individual who originally posted them, or by others who have access to the

server on which the pages have been posted. This means that you can't rely on any information online, because a Web page bears none of the finite nature of the printed word (i.e., once something is printed on paper, it cannot be modified). Last but not least, Web pages are often transient. If a Web page disappears, and it is related to a business transaction, have you neglected to fulfil your role of maintaining all corporate records?

As accountants, we must be aware that the Internet will come to play a role as we manage corporate records, undertake audits and conduct investigations. It is becoming a huge issue in the legal community, and so we must be cognizant of it as well.

In short, information obtained from the Internet cannot be relied upon as true, timely, accepted or authoritative without the following due diligence: careful independent corroboration and analysis; assessment of its source; consideration as to whether it might have been modified from what was originally available; and assessment of the objectivity of the person placing the information online.

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ARTICLES ON INTERNET RELIABILITY

"Evaluating Internet Research Sources," Virtual Salt <http://www.virtualsalt.com/evalu8it.htm>

"Gauging the Reliability of an Internet Site," The Writing Centre <http://www.engl.virginia.edu/wctr/internet.htm>

"Reliance and Reliability: the Problem of Information on the Internet," iMP Magazine http://www.cisp.org/imp/may_2001/05_01wach-broit.htm