

2026 Examiner Brief

Northgate Tax & Advisory, PC — 16 CFR Part 314, FTC Safeguards Rule

Internal preparation document. Not part of the signed WISP.

IF ASKED TODAY, THIS IS WHAT YOU WOULD HAVE TO EXPLAIN

1 device holds client data and is not encrypted — starting with Front-desk scanner PC.

OK §314.4(a)	Qualified Individual Morgan Ellis, Managing Partner — designated January 6, 2025 <i>Readiness check passed August 20, 2026 — 9 of 10 on this firm's own program.</i> <i>"Morgan Ellis is our designated qualified individual and oversees the program. They completed a readiness check on our own plan on August 20, 2026."</i>
OK §314.4(b)	Risk assessment February 11, 2026 — overall risk moderate <i>"Our most recent written risk assessment was completed February 11, 2026."</i>
OK §314.4(c)(1)	What we hold Social Security Numbers, Financial Records, Tax Returns, Bank Account Info — across 7 of 7 devices <i>"We hold Social Security Numbers, Financial Records, Tax Returns, Bank Account Info across 7 of 7 devices in service."</i>
OPEN §314.4(c)(3)	Encryption at rest 6 of 7 encrypted <i>Not encrypted: Front-desk scanner PC</i> <i>They ask: Is customer information encrypted at rest?</i> <i>"1 device holds client data and is not encrypted. We know, it is on our remediation list, and here is the plan."</i>
OK §314.4(c)(6)	Retention & disposal Tax returns 7y, client records 7y — electronic: cryptographic erase <i>"We keep tax returns 7 years and destroy electronic records by cryptographic erase."</i>
OPEN §314.4(f)	Service providers 6 registered, 5 with a written agreement <i>They ask: Who are your service providers and how do you oversee them?</i> <i>"We have 6 active providers, 5 of them under a written agreement requiring safeguards."</i>
OK §314.4(e)	Security awareness training 6 of 6 passed, most recent March 6, 2026 <i>"6 of our 6 people with data access have completed and passed security awareness training."</i>
OK §314.4(h)	Incidents 1 in 2026, all resolved <i>"We logged 1 incident this year and followed our written response plan."</i>
OK §314.4(i)	Annual review January 27, 2026 <i>"We completed our 2026 review on January 27, 2026."</i>
OK 16 CFR 314.3	The written plan 8 of 8 required sections complete <i>"Yes — here is our written plan, all sections current."</i>

Open items

CRITICAL §314.4(c)(3) 1 device holds client data and is not encrypted — starting with Front-desk scanner PC.
Encrypt them, or be ready to explain the compensating control.

IMPORTANT §314.4(f) 1 provider has no written agreement on file.
The rule requires you to require safeguards by contract.