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## 8 Steps to Evaluating Cloud Service Security

By Dave Jones

With the current break-neck pace of software and technology we can often overlook the fact that “the cloud” is really just outsourcing. The term “cloud” is simply a catch-all term for subscription-based services running on someone else's network. Evaluating the security of such services requires digging in and asking the provider some possibly uncomfortable questions. If you aren't currently doing this for each cloud opportunity, and thinking through how its failure will impact your firm and your clients, you are simply putting the firm at risk.

As an example, I recently had a Partner forward me some information about a potential cloud service that we could use to help our staff by easing their manual data entry tasks. The idea behind the service was straightforward. Their cloud service would aggregate a client's transactions and allow the transactions to be bulk downloaded into our chosen software. To accomplish this, we would need to have each client enter their financial institution credentials into this cloud provider's system.

Our use of a cloud application like this would necessarily mean asking the client to participate. And, even if not actually stated, the fact that we would use it and ask the client to use it, conveys to the client that we “endorse” this software in some way. That means I had to ask the right questions before committing. If we ask our clients to participate in a cloud application, and then down the road that application is breached or found to be low quality, the client will be asking *us* the hard questions.

These are the questions I always ask any potential cloud vendor:

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7. What general data breach and protection policies are in place?

8. Is client data shared with any third parties?

If you can't get satisfactory answers to these questions, deciding to do business with such a provider boils down to a decision about how much risk your firm is willing to take on to gain the potential benefits the service will provide. And, if this is an app for doing client work, you will also be passing on that risk on to your clients. That has to be fully understood at the Partner level.

Continue reading about the questions to ask potential cloud vendors at [www.CPAPracticeAdvisor.com/12334314](http://www.CPAPracticeAdvisor.com/12334314).

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