

EBOOK

How to find the right IT provider for your accounting firm



 **rightworks**

Introduction

Not every IT provider knows how to work with accounting firms. Vetting is critical for firms looking to outsource some or all of their IT operations. But which questions should firms ask when evaluating IT providers? And what do they need to find out?

This document offers a look at **the questions accounting firms need to ask when evaluating an IT provider**, and the types of answers they should expect—or demand—to receive.



Accounting profession

knowledge and experience

Just about any IT provider can offer basic services, but providers that have accounting expertise are far better prepared to work with firms than those that don't. A strong focus on accounting is rare among IT providers but very important nonetheless.

Ask these questions to determine how adept a provider is at working with accounting firms:

How well do you understand the unique aspects of supporting accounting firms?

Most providers are not aware of the volume and urgency of tax application updates throughout the busy season. Does the provider understand the need to expand hours during peak busy seasons into evenings and weekends to match the firm's work schedule? Also, the provider should avoid doing updates during the busy season that could cause downtime.

How much do you know about enhanced security requirements of accounting firms?

A provider needs to understand how to deal with confidential tax, payroll and other financial data—all of which remote employees need to access from various locations. The provider should be able to handle privacy and security for data transferred to and from clients. Multifactor authentication (MFA) should be standard, and the provider should offer security features on top of a virtual desktop infrastructure (VDI).

How familiar are you with accounting application requirements for firms?

Full-service accounting firms have a significant number of department-specific applications for tax, assurance, client accounting and advisory services (CAAS), and administration. Most firms concurrently run more than 100 unique applications, significantly more than other types of IT clients.

How many accounting firm clients do you have compared to other industries you serve? What is the profile of these firms, and how long have they been your customers?

The provider needs to be serious about supporting the accounting profession and have an understanding of firms that are similar in size to your firm and run similar applications. Providers with multiple business units are not likely to have adequate accounting-specific support.



IT help desk

The help desk is the first resource a firm will contact when something goes wrong, whether it's a minor problem with a user logging in or a major outage. If the help desk isn't, well, helpful, the firm's relationship with the provider will never be anything but strained and awkward.

Here are questions for firms to ask about a provider's IT help desk:

Describe your support infrastructure. Will we be assigned a dedicated consultant for both technology and the overall relationship?

Firms are better off with a dedicated consultant for both areas, one that has been trained on supporting accounting applications.

What are your help desk features?

Look for features that promote ease of use, short wait times and minimal necessity for human contact. Provider availability is good, but being able to figure something out without having to make a call is better. The provider needs to have a chat function for immediate inquiries.



Explain your help desk ticketing system and how our firm will interact with it, including support response, escalation and comprehensive reporting.

Get the details here. Beware of answers that seem confusing or unclear. There should be a specific response for each category.

Show us help desk response times over the past year.

There's nothing worse than having an emergency that an IT provider doesn't consider an emergency. Expert support available 24/7/365 is a must.

What are your weekday, weekend and tax-season support hours?

Seasoned IT professionals will attest that some of the biggest problems occur at the least convenient times. Reliable support 40 hours per week is not enough.

Describe your after-hours and emergency support, including how escalation works.

Again, get details here. Who picks up the phone or answers a message? How difficult is it to get to someone who can help even at an inconvenient time?



How does support work for special requests?

Not everything a firm needs is going to fit into a neat category of support. Find out what happens when something falls outside of what's considered typical.

What are your maintenance hours?

Every system has some planned maintenance time. It should be predictable and not interrupt normal functions.

How many help desk employees do you have, and what are their capabilities?

Think of problems the firm has had in the past or issues the firm deals with regularly. Can somebody at the IT help desk provide expertise on those areas? Is there just one person, several or more?

How do you handle support staffing for tax season and other busy times?

An IT provider experienced in working with accounting firms will know that firms are more likely to need support during tax season than during other times. As such, the provider should offer increased support staffing from January through April and from August through October. The provider should be able to extend weekend hours and freeze system updates and changes, when possible, to better support accountants during their busier periods of time.

Provide your Service Level Agreement and Scope Document.

This is extremely important and should elicit a standard response from any respectable IT provider. Beware of any provider that struggles with this question.

Application support

A firm's whole system is only as healthy as the applications running on it. One misfiring app can shut everything down and cost both time and money. App expertise varies widely from one IT provider to another. Firms need to ensure that their specific apps are supported.

Describe your core competency as it relates to applications.

Is the provider focused on accounting applications? If not, that could be a red flag for an accounting firm.

Describe your application support with our firm's core applications

(such as CCH Engagement, Thomson Reuters UltraTax CS, QuickBooks®, etc.). Each firm should take a look at its applications to make sure the IT provider supports them. This isn't a given.

Does each version of each application we use count as a separate application?

For example, do you price all seven versions of Lacerte Tax (1040/1120/1120S/1065/706/709/5500) as one application or seven separate ones? Understanding this distinction could save a firm quite a bit of money in fees. The IT provider should be very upfront about this.

What experience do you have in working with our core applications? Are you able to make all my applications work in your environment?

Having to switch from one environment to another quickly erodes the efficiency and usefulness of the cloud and can make a firm's investment almost totally ineffective. Staying in one environment as much as possible is critical to return on investment. Firms need to be able to use remote collaboration tools such as Zoom and Microsoft Teams side-by-side with the provider's interface.

Who does the tax software updates? How often and when are updates done, and will that kick us out of the system?

Again, an IT provider that has worked with accounting firms will have a simple and satisfactory answer for this question.

How many application servers will you have us in? Are they virtual machines?

Infrastructure is important. Firms should understand the resilience and reliability of the provider's server setup.

Remote access

Now more than ever, working from outside the office is an absolute necessity. An IT provider must facilitate remote work easily, efficiently and cost-effectively in an era when more and more firms will have either full or part-time remote workers.

Explain your remote access solution. Does it allow users to work consistently from anywhere as long as they have a secure internet connection?

Employees should be able to work in the same applications at the same time without conflict or performance issues and have the applications look and work the same whether in the office or remote. Anything else is unacceptable.

Are you able to make all our applications work remotely?

Remote work is nearly impossible to sustain if some applications don't work remotely or consistently. Remote access should also blend with collaboration, letting users see the status of other team members and know their availability at any given time.

How many monitors does your network support? Does this include remote access for multiple monitors?

This is an especially relevant question for accounting firms, where employees often need multiple views of data.



Technology platform

This is the backbone of everything the provider offers. It can be a major differentiator for accounting firms looking for the right provider.

What differentiates your platform?

Look for speed, reliability, security and flexibility.

Explain how we can add and delete users.

It's inevitable that this will happen, so firms should know that a provider is prepared. Can you easily ramp up the number of users during peak times and just as easily reduce it later? What is the cost to do this?

Describe the training our firm will receive.

There really shouldn't be that much training needed—the platform should be simple to use.

How do you support the local machines and other local hardware?

What firms need to know: Do your devices integrate smoothly with the hosted platform? Beyond that, finding a provider that can secure your devices is a necessity. The right provider should offer a managed service to protect not only the applications your firm runs in the cloud but also your firm's individual computers as well. An IT partner that provides security for the devices your employees use every day strengthens your overall cybersecurity setup and massively reduces the potential of damage from a cyberattack.

Are you aware of IRS requirements for protecting data, and do they meet SOC2/HIPAA/CCDP/GDPR and other data security guidelines?

This is critical for accounting firms given IRS and other regulations on storing client data.

How do you monitor internet connectivity?

There should be a line between privacy and the ability to deal with problems. The key is to find a provider that can effectively protect your clients' data without potentially exposing that data or handling it in a way that could lead to a privacy breach. Your provider should monitor for breaches or unusual activity while also ensuring that client data stays with your firm in the cloud.

What is the process to transition our firm to the cloud? Does it happen virtually or do you have to come onsite—and if you do come onsite, what costs can we expect to incur?

A provider should be able to perform a cutover to the cloud without a physical visit—and without charging for a physical visit.

What is the transition process for moving all our data to the cloud?

It should be entirely non-disruptive but also guaranteed to be secure. The possibility of data loss of any kind is a major red flag, obviously.

Reliability

Any provider's system is only valuable when it's actually up and running. **Downtime is lost work time, lost client time and lost revenue for accounting firms.**

Describe your system downtime procedures, including communication protocols, preventative measures and post-incident explanation.

Get details here. Nothing should be ambiguous. If a provider can't answer this question clearly, it probably can't guarantee sufficient uptime, either.

Provide statistics on your planned and unplanned downtime that has occurred over the past two years.

Any legitimate provider will have and offer these numbers.

Describe the actions you take to ensure the reliability of your system.

Again, go for details. How do the actions described actually ensure uptime? Language here should be easy to understand.



Provide valid references of firms similar in size to our firm that use applications like those our firm uses. How long have you supported these firms?

The minimum expectation here is that the provider has supported the reference firm for more than a year so that the firm has experienced at least one successful year-end rollover. Rollovers can be complex and cause problems.

Security

The IRS has introduced requirements for accounting firms that make security an even higher priority than it was previously. A data breach could cost a firm revenue, customers and reputation, not to mention lead to expensive fines. **Security should be a top priority for firms and providers alike.**

Describe your data security standards and protocols for both our firm and your employees.

The answer should be both specific and easy enough to understand that it makes sense without excess explanation.

Show your metrics monitoring systems and audit practices.

The numbers here are important and should be available.

What are your capabilities for guaranteeing privacy of personally identifiable information (PII)?

Firms are legally bound to keep client information confidential under protocols such as HIPAA, GDPR or SOC2. Your firm needs to find a provider that can guarantee data privacy. The right provider should use enterprise-class data centers and security measures, the same level big banks and large corporations enjoy. The provider's data centers should be Tier 3 or 4, the highest tiers available. A provider operating at that level can ensure privacy and provide superior backup and recovery as well as greater than 99.9% uptime.



Describe your backup guidelines, data accessibility and file restoration methods.

Firms should look here for specific methods and a clear explanation of how each of them works. There are no bad follow-up questions. Rapid data recovery is an essential capability that only some providers can offer. Your firm needs a provider that stores data in enterprise-class data centers with redundancy so that your data resides securely in more than one data center and is available even in case of a disaster. A provider that cannot offer reliable backup and recovery puts your firm and your clients' data at risk.

How do you prevent as well as respond to a security breach, phishing attack or ransomware event?

Prevention of threats should be your provider's primary concern. In addition to common software solutions such as antivirus, your provider should also offer some way to contain emerging threats. Technologies such as endpoint detection response (EDR) should be deployed on any subscribed devices, ensuring artificial and human intelligence is being used to stop even the most advanced attacks.

The provider should have a comprehensive working response plan that is regularly updated. The provider's staff should be well trained on immediate response and remediation to cyberattacks.

Describe your confidentiality policy, third-party relationships and privacy rules.

Firms should be comfortable with the IT provider's response to this. If it seems weaker than what other providers offer, that's a major warning sign.



General company information

Most of these questions are standard for any kind of vendor. The idea here is to grasp the general credibility of the provider as a company and continue to confirm expertise in accounting. Any answer to one of these questions that seems halting or unusual should serve as a red flag.

- Provide contact information for the key people in your organization.
- Provide a brief history of your company, including location of your corporate headquarters and offices.
- How long have you been in business?
- How long have you been providing network infrastructure and related services to accounting firms?
- How many current accounting firm clients do you have?
- Describe your core product and service lines.
- Describe what differentiates you from your competitors.
- How do you solicit communications and feedback from users?
- Describe your pricing approach and what we can do to reduce costs.

Firms need to be diligent before signing with a provider

Turning IT operations over to a provider can be a highly successful investment that offers returns in the form of efficiency, improved client service, and ultimately cost savings and increased revenues. But outsourcing IT is also a major decision with serious legal and financial implications. The list of questions to ask is long, but it's critical that a provider be able to answer every question satisfactorily. There is no room in this process for mediocrity or doubt.

Want to learn more?

Contact us today at **888.210.0237**