Quick Questions

Is Your Fund Administrator Secure?

Our recent blog "Cyber Resilience in Fund Administration: Built for What's Next in 2026" covered the essentials: tested incident response, access controls, vendor oversight, Regulation S-P readiness, staff training and wire fraud protection. Here are five quick questions that go further, to help you determine whether your provider's security holds up beyond the basics:



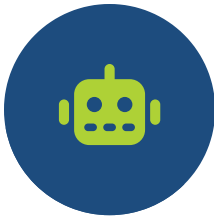
1. Can you share independent validation of your security controls?

Self-reported security isn't enough. Ask whether your administrator undergoes SOC 1 Type II examinations, how often outside specialists perform penetration tests, and how findings are tracked through to resolution. If a provider can't or won't share third-party results, you are being asked to take its security on faith.



2. How do you deliver statements and documents to our investors?

Capital account statements, capital call notices and tax documents contain exactly the information attackers want. Look for secure, access-controlled investor portals and encrypted delivery.



3. How do you govern the use of AI tools with our data?

AI is changing how administrators work, but it also creates new questions about where investor information goes. Ask whether staff may use public AI tools, how any approved tools are vetted, and what prevents confidential fund data from being exposed or used to train outside models. A provider without clear AI policies is leaving that decision to individual employees.



4. Who is accountable for cybersecurity, and how are we kept informed?

Cybersecurity needs a clear owner. Ask who leads the program, how often senior leadership reviews cyber risk, and what you will receive on an ongoing basis, such as security attestations or notice of material changes to the environment. If no one can say who is accountable, it is unlikely anyone is.



5. What security commitments are in our contract, and what happens to our data if we leave?

Promises made in a sales meeting matter less than the ones in writing. Review the agreement for security standards, audit rights, liability provisions and data return or destruction terms at the end of the relationship. If your data's future isn't addressed in writing, your fund may lose control of it after the engagement ends.

If the answers to these questions, together with those in our most recent blog raise concerns about your current provider, consider exploring a new fund administrator who can deliver the security, transparency and peace of mind your fund and investors deserve. As part of the Kaufman Rossin Group, Kaufman Rossin Alternative Investment Services offers deep industry expertise along with a full suite of services to help alternative investment funds reach their business goals. Contact us to learn more.