

 KINGLAND® | PUBLIC ACCOUNTING

# Solving for Acceptance & Continuance



## Solving for Acceptance & Continuance

Public accounting firms must prove to regulators that they have a robust “System of Quality Management” (SQM). A critical aspect of a SQM is the management of the on-boarding (and ongoing reconfirmation) of clients. This process is called “Acceptance and Continuance”, and it applies to both new clients and the different types of engagements provided to those clients.

Acceptance and continuance is the orchestration of processes to determine the regulatory, policy, and risk considerations when deciding to provide services to a client. Unfortunately, many public accounting firms’ processes do not sufficiently meet the requirements because of many underlying challenges that are difficult to solve together.

Kingland has worked specifically on these challenges over recent years so that a robust and configurable solution could be available for every firm.

This paper explores these challenges and identifies key capabilities that help firms overcome challenges in client and engagement acceptance.

## Why does a robust acceptance and continuance process matter for a public accounting firm?

### *Meet Regulatory Obligations*

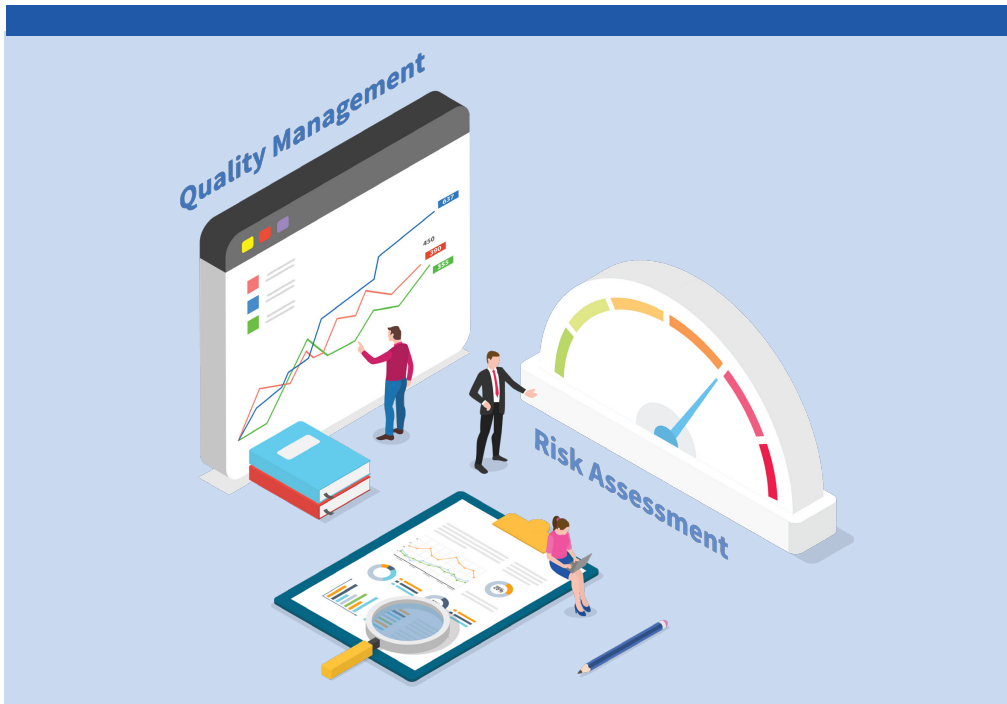
Your firm needs to orchestrate independence, risk, ethics, conflicts and quality management processes together to meet your regulatory obligations. That orchestration starts with a robust acceptance process to ensure new clients and engagements check all the right boxes.

### *Enable Strategic Direction*

Your firm is guided by its strategy, and coordinating that strategy within as well as across each line of business is difficult. A robust acceptance and continuance process will set guardrails from the beginning on the kinds of clients and services that should be accepted, and kinds that should be rejected, no matter the area of the business.

### *Drive Aggressive Growth*

A robust acceptance and continuance process enables your engagement teams to make decisions quickly and accurately. Fewer hours are spent by engagement partners at the beginning of the process to get new business approved, and fewer hours are spent by quality and risk managers at the tail of the process with fewer unanswered questions or additional information needs to sort through.





## Acceptance and Continuance Challenges that Firms Face Today

Given the significance of getting the acceptance and continuance process right, identifying specific challenges that firms face today becomes crucial. In this section, we outline the top eight challenges identified through our market research of firms' solutions to the problem. In this paper, we explain how Kingland meets these challenges, solving them for firms and networks broadly.

### *Top Challenges Firms Face Executing on Acceptance*

- Data Governance
- Dynamic Processing
- Risk Management
- Workflow Configurability
- Process Administration
- Differentiation by Line of Business
- Firm Time Commitment
- System Integrations

## Top Categories Where Firms Face Challenges in Acceptance

### Data Governance

Within public accounting firms, data is often not governed in a way to optimize the assessment of individual entities and services the firm provides. The relationships between the firm and its clients, relationships between the clients themselves, the impact of the scope of services across affiliates, and many unique business rules need to be added on top of general purpose data platforms that are available on the market today. The federated nature of global networks further complicates data governance as relationships within the network need to be understood.

### Dynamic Processing

Kingland has identified over 30 unique steps required for new client and engagement acceptance, resulting in over 400 connections between these steps and thousands of possible routes from one step to the next. Due to this complexity, firms may enforce an overly complex process, potentially creating unnecessary burdens, or omit steps to simplify the process which increases risk.

### Risk Management

New clients and services engagements come with varying degrees of risk for a firm to manage. Though risk is not inherently bad, how can a firm be certain of the risk they are taking on unless all of the right questions are asked? Firms are challenged to find the right balance of risk management that sufficiently uncovers the risk without becoming a bottleneck in the acceptance process.

### Workflow Configurability

Hundreds or even thousands of hours each year can be wasted on the acceptance and continuance process due to improper workflows. If a firm's current process

includes unnecessary reviews or cannot gather information from multiple sources simultaneously, valuable time is wasted.

### Process Administration

Without the appropriate system in place, tasks may be assigned to individuals or teams that don't need to be involved in the acceptance and continuance process. Additionally, reviewers may struggle to communicate effectively with the original requester, leading to approvals or rejections being made without sufficient context or evidence.

### Differentiation by Line of Business

Depending on the services intended for a new client, different questions may need to be asked. Firms face a significant challenge in establishing a firm-wide process in the SQM that also differentiates the unique needs of each business line.

### Firm Time Commitment

A lack of trust in data-intensive processes often leads to wasted time verifying and analyzing the outputs of the involved business applications. As firms grow, the acceptance and continuance process becomes increasingly data-intensive. Avoiding the excessive time commitment required to mitigate process problems and ensure accuracy is a common challenge.

### System Integrations

A firm's SQM necessitates the integration of several separate systems to meet regulatory obligations. To make an informed decision on a new client or engagement, various types of data from multiple systems must be combined. The challenge arises when a unified system cannot easily access this data across the business.

## In Summary

The challenges firms face in successfully establishing and maintaining an acceptance and continuance process can largely be summarized as a process orchestration challenge. The difficulty lies in the scale at which the process must operate. As the difficulty of process orchestration increases with scale, technology becomes increasingly cost-effective for simplifying. Accepting and continuing a single client's business is relatively straightforward. However, managing tens of thousands of clients and understanding the relationships between them is exponentially more complex. This complexity necessitates advanced technology to make informed, risk-based decisions for the firm.

In the following section, we explore how Kingland is using technology to successfully implement the acceptance and continuance process for firms.



## Public accounting firms get *valuable results* with the proper system in place.

In this section, we explore key capabilities of Kingland's acceptance and continuance solution, addressing the challenges described before.

### Automated Regulatory Rules

The system's streamlined application of regulatory rules enables rapid conflict and independence checking. Rapid checking enables a team to quickly determine if there are any issues to be resolved before accepting a client. Your client relationships systematically apply the impact of that relationship to other related entities and people, ensuring that decisions are always based on the most up-to-date information. Professionals can search for an entity record and immediately identify if providing certain services is permissible.

### Synchronized Data

The impact of a firm's client relationship is systematically applied to other related entities and people, ensuring that decisions are always based on the most up-to-date information. Professionals search for entity records and immediately identify if providing specific services is permissible.

### Intelligent Routing

The right information will get to the appropriate team members based on the information tied to the client or engagement. Time is only spent where necessary to ensure the correct steps are being taken to complete acceptance and continuance. A firm does not need to plan for each of the thousands of paths an acceptance process can take; the solution will intelligently route to new steps when needed.

### Risk Radar & Escalation

As risk is detected in the acceptance workflow, risk managers or entire risk teams can be automatically brought in to review and approve the client as appropriate. Firms optimize their risk management by quickly accepting low-risk clients and engagements while ensuring proper due diligence is conducted where necessary.

### Ultra-Configurable Workflow

The acceptance workflow can be configured to collect information from hundreds of sources simultaneously (e.g., clearing global conflicts) or configured sequentially to save time for the firm (e.g., start with sanctions check to determine if the business will be rejected outright). Workflows will adapt dynamically based on the information included and the answers to questions. Firms can rest assured that the appropriate steps are taken throughout the acceptance and continuance process, ultimately saving time for the firm.

### Smart Oversight

Reviewers have access to dashboard visuals that clearly indicate which parts of the process have been completed, which are in progress, and where additional attention is needed. Even across 100+ member firms, task completion is summarized on a single screen for easy visibility.

### Form Building

Firms can easily create questionnaire forms with decision logic within the system and test them prior to deploying them organization-wide. As forms evolve, existing ones can be cloned and updated to maintain previous versions for inspection purposes while efficiently incorporating new questions into questionnaires, saving significant time and valuable resources.

### Roll-forward Continuance

Original acceptance records can be cloned to fast-track the continuance process, retaining the information gathered during the initial acceptance. By utilizing previous records, firms have a solid starting point for their continuance process, saving significant time and enabling quicker completion of this step.

### Integration Flexibility

API endpoints enable integration with CRM, practice management, master data management, and other systems. Firms can automatically initiate client acceptance processes when opportunities in their CRM change state, eliminating manual steps and faster paced business processes. With user-friendly API documentation available, firms are well-equipped to manage any internal integrations they require.





A headshot of Alex Olson, a man with short blonde hair and glasses, wearing a dark suit jacket over a light blue shirt.



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Reach out to  
***outreach@kingland.com*** today and see a demo  
of Kingland's **Acceptance and Continuance**  
**solution!**