


# How M-Files Mitigates Risk for Accounting Firms



## Accounting firms traditionally provide three types of services to their clients: audit or assurance, tax, and consulting services. These services come with inherent business risks that can affect future income and business reputation as well as expose your firm to legal liability.

At the base of every operation in accounting, there are documents and how these documents are managed directly contributes to your firm's ability to mitigate risks.

# M-FILES FOR INFORMATION SECURITY ...

Accounting firms handle an enormous amount of confidential client information and the delicate nature of this cannot be overstated, as high-value data can wreak havoc if it falls into the wrong hands. Information security is increasingly important as data breaches pose a huge potential threat to firms all across the professional services industry.

Information security is sometimes considered as a technical talking point with subjects like firewalls and cybersecurity; however, information management plays a strategic and foundational role is securing customer information.



## Information Visibility

How can your firm secure information if you don't know a few basics about your information, including:

- What information you have Where it resides
- Who has done what with it
- How long it's been in your system
- What stage it's at in its lifecycle

M-Files gives you complete visibility over what information there is, where it is, how it's used and who is using it. Visibility is an inherent feature of the M-Files metadata-driven platform. With just a few clicks, you can gather, view, and make sense of all the information you have in your system (provided you have the permissions for it).

***With just a few clicks, you can gather, view, and make sense of all the information you have in your system ...***



## Information Governance and Control

Protecting customer data and ensuring that only the right people have access to certain information can become a tedious and arduous task without proper tools. Governance features protect firms and mitigate risks by controlling how documents are created, accessed, stored, archived, retained and disposed of.

For example, the M-Files metadata architecture allows for limitless possibilities when it comes to how permissions are established and enforced. The controls are not limited to client, engagement, job, task, or team. You can establish custom permissions by client, document, task, and even workflow state. This is particularly handy when you need to create multiple permissions and access control matrices per client, restricting access by service line, job, task, or even document.

And through M-Files integrations, these governance protocols can be extended to common collaboration tools like Outlook, SharePoint, and Microsoft Teams, eliminating the risk of shadow IT. All of these information control and governance mechanisms are easily demonstrable, for instance, if clients demand to know how their sensitive information is managed.



# M-FILES FOR MITIGATING LITIGATION RISKS ...

Since accounting services are intertwined with financial affairs, there are inherent risks in the profession, namely the risk of lawsuits. Record keeping and information management can significantly help with mitigating these risks.

## In the client onboarding phase

Onboarding clients quickly is key to reducing time to value, but it must also be done safely, so that your firm can adequately assess potential risks.

With M-Files, you can establish workflows and procedures to help onboard clients safely and quickly. For instance, you can configure M-Files to carry out onboarding or Know your Client projects consistently with checklist items like NDAs, background checks, and references. This not only helps your firm promote consistency in onboarding practices, but it also helps staff track client onboarding status. This helps to ensure that all the necessary documentation and processes are completed before any services begin.

## In establishing the engagement

The engagement letter establishes the parameters of the client relationship. To mitigate risks, it's important that these documents are managed properly and consistently. Rogue contracting and lack of visibility into these documents can elevate risk.

In M-Files, you can set up engagement letter templates that are accessible to staff from your M-Files template library. You can also set it up so that every engagement letter is then passed through a review and approval workflow to help mitigate the risks of agreeing to unwanted terms. Furthermore, you can integrate M-Files with common collaboration applications like Outlook or your customer portal, with possibilities to integrate your engagement letters workflows with digital signature applications like DocuSign. These same features can also be utilized when ending an engagement with termination procedures and documentation.

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# M-FILES FOR MITIGATING LITIGATION RISKS ...

## Throughout the engagement

Strong documentation and record keeping practices are crucial to ensuring that you can prove who has done what and when whenever there is a blame game event.

One of the biggest benefits of M-Files is the ability to gather and view information instantly. The system gives firms complete visibility over what information they have, who has done what with it, and where it stands in its lifecycle. This feature alone helps firms greatly when it comes to evidencing their actions.

***M-Files has strong audit trailing capabilities that log every single event that has taken place in the system, so your firm can easily view who has done what and when.***

However, it's not just about visibility. M-Files has strong audit trailing capabilities that log every single event that has taken place in the system, so your firm can easily view who has done what and when. These capabilities track larger actions like logging who has saved what information to the system and when, as well as logging smaller actions such as documentation edits or modifications. Every item in M-Files has its own version history that shows every action that has taken place throughout its lifecycle. This is not helpful with preventing versioning mishaps, but it also helps with your firm's record keeping efforts.

You can also connect M-Files with Microsoft Teams and Outlook, so that information passed throughout those applications can easily be captured in M-Files as company records. For instance, with the Outlook integration, it's easy to quick file client email correspondence and document attachments as company records in M-Files. These solutions help with easing the burdens of maintaining a strong paper trail.





## M-FILES FOR RECORDS MANAGEMENT

Controlling and governing your firm's records throughout their entire lifecycle is critical to ensuring compliance with certain obligations.

This is particularly true when it comes to records retention and disposition. With M-Files, you can set up record retention and disposition policies that can then be applied to all sorts of records. These rules can be governed by a particular schedule or document type. Either way, M-Files governance tools to automate how these records are handled throughout their lifecycle.

## M-FILES FOR QUALITY, COMPLIANCE, REGULATORY ACTIVITIES

Information and documents are central to nearly all regulatory and compliance-related activities, such as a SOX audit or a customer audit. M-Files is inherently helpful when it comes to quality and compliance activities, because all the information required to perform these activities is instantly retrievable in M-Files. For instance, auditors loves M-Files because it easy to pull and compile information because it makes their jobs much easier than if they were otherwise sifting through folders and various systems to systems to gather the data they need. It's also easy to track who has done what and when with the system's audit trailing capabilities.

It's not just about visibility though, M-Files can help your firm establish automated and consistent processes around audit projects, SOPs and training, and periodic Know your Customer reports.

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**To learn more about M-Files can help your firm mitigate risk, while also enhancing your ability to win and retain new business, check out our website or contact us to schedule a demo for your firm.**




# ABOUT M-FILES

M-Files provides a next-generation intelligent information management platform that improves business performance by helping people find and use information more effectively. Unlike traditional enterprise content management (ECM) systems or content services platforms, M-Files unifies systems, data and content across the organization without disturbing existing systems and processes or requiring data migration. Using artificial intelligence (AI) technologies in its unique Intelligent Metadata Layer, M-Files breaks down silos by delivering an in-context experience for accessing and leveraging information that resides in any system and repository, including network folders, SharePoint, file sharing services, ECM systems, CRM, ERP and other business systems and repositories. Thousands of organizations in more than 100 countries use M-Files for managing their business information and processes, including NBC Universal, OMV, Rovio, SAS Institute and thyssenkrupp.

For more information, visit www.m-files.com.

M-Files has offices in eight countries. To contact one of our regional offices, click here: www.m-files.com/en/contact-us.

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