KINGLAND

Integrating Technology to Accelerate Process

Automating Conflict Checking

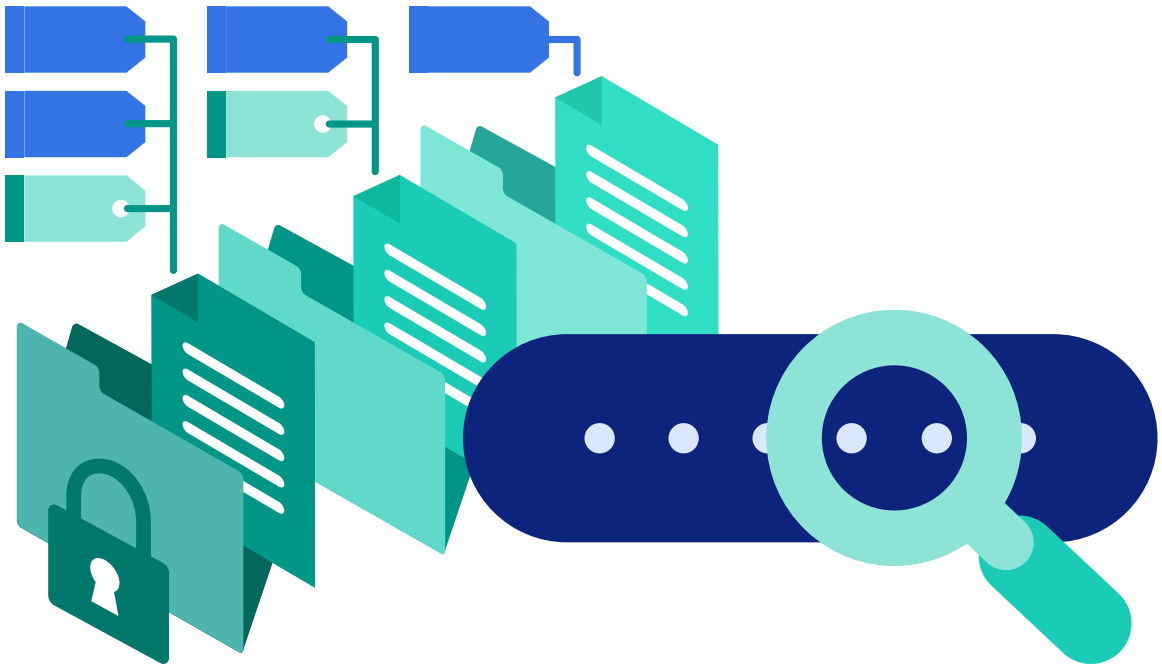


Introduction

Public accounting firms must answer critical questions before taking on new business with a client, including determining regulatory, ethical, and business conflicts. For many firms, that process involves many stakeholders and is manual and time consuming, pulling professionals away from client service, slowing onboarding, hindering client responsiveness, and delaying firm growth as the firm and its clients grow more complex.

This white paper is the fifth in Kingland's Firm of Tomorrow series, following The Firm of Tomorrow: A Framework for Public Accounting Investment, Seamless Process Integration, Protecting Against Competition through Organizational Agility, and Unlocking Business Value with Data. This paper takes a single, critical process end to end and shows what becomes possible when integrated technology, governed data, and applied AI come together in one place.

We chose conflict checking deliberately: it sits at the intersection of our series' themes, has been one of the top candidates for transformation across Kingland's global public accounting network clients, and depends on connected data across the firm and network. It is a bottleneck that directly impacts how fast a firm can win new work, and it carries real consequences when it goes wrong.



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Why This Matters Now

Conflict checking has always been necessary work. What has changed is the pressure surrounding it. Several forces are converging to make the traditional manual approach untenable.

Consolidation Is Multiplying Complexity

Private equity investment has reshaped the structure of the profession at remarkable speed. Research from the International Federation of Accountants found that fewer than 200 direct private equity investments in accounting firms set off roughly 875 subsequent roll up acquisitions between 2015 and 2025, for more than 1,000 impacted firms in total. In 2025 alone, each direct investment resulted in an average of 7.6 additional transactions, a consolidation index that has increased four fold since 2021.

Every one of those transactions expands the universe an engagement team must check against, new clients, new affiliate relationships, new restricted parties. A conflict check is only as good as the completeness of the data behind it, and consolidation is expanding that data faster than manual processes can absorb it.

Regulators Are Raising the Bar on Independence

The regulatory ground is shifting too: the PCAOB's new quality control standard, QC 1000, takes effect December 15, 2026, requiring firms to demonstrate that independence controls are actively operating and continuously monitored, not merely documented. The pressure is especially acute given the rise of private equity-backed models, where independence questions extend beyond individual investments to the broader ownership, governance, management, and financial relationships that can connect audit firms to non-audit businesses. As private equity becomes more involved in the accounting profession, regulators are increasingly scrutinizing which entities in a complex structure are subject to independence requirements.

Global Networks Increase Complexity

Consolidation compounds a problem that global networks already face: conflict checking is often not one process but many, as member firms run their own local checks while the network runs a separate global process, and a client spanning multiple member firms can trigger both, leaving professionals to reconcile systems that disagree on the facts. The larger and more international the network, the more difficult it becomes to demonstrate a determination was complete and consistent across the whole organization.

Clients and Competitors Move Faster

Clients increasingly expect answers in hours, not days, and the firm that clears conflict and independence checks quickest wins the work. Many times, speed is a determinant of which firm gets the client. That edge is only growing as commercial AI tools now make available to any firm the efficiency advantage. The edge is no longer owning a capability others cannot, but deploying it well, on governed data, faster than the firm across the street.

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The Anatomy of a Conflict Check

Automation is transformative because conflict checks require assembling and evaluating data from across the firm, then applying rules to clear independence, ethical, and business conflicts that vary by service, relationship, jurisdiction, and client context.

A complete check depends on an accurate corporate entity tree and a detailed understanding of all legal entities considered affiliates of the client, entities under common control, and individuals or entities with significant influence. For a large client, that tree can span thousands of related entities, and its relevance changes depending on the check being performed. An affiliate that drives an independence conclusion may also raise ethical, reputational, commercial, or risk questions.

Against that entity picture, the firm must then assemble and evaluate several distinct inputs. In practice, a complete conflict review draws on inputs for independence, ethical, and business determinations, including:

- Client and affiliate hierarchy data: who the client is, every entity connected to it, and which relationships matter for independence, ethics, and business risk.
- Existing engagement and service history across the network, including services that may create independence restrictions, ethical conflicts, or client relationship issues.
- Restricted, watch list, and special procedure lists flagging entities requiring particular handling.
- The specific services being proposed, which determine which independence rules, professional obligations, and business approvals apply.
- The regulatory and professional framework that applies, based on client type, jurisdiction, public interest entity status, and applicable ethics rules.
- Business considerations such as reputational risk, strategic account conflicts, fee or commercial sensitivities, and escalation requirements.

Only once all of this is assembled can the determination be made, and it is rarely a simple yes or no. The outcome may range from automatically permitted, to permitted with safeguards, to requiring partner-level or ethics approval, to needing a business escalation, to prohibited outright.

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Where Integrated Technology Changes the Game

The traditional process falls short not because the rules are unknowable, but because the work of gathering data and applying the rules is done by people, one check at a time, across disconnected systems. Integrated technology changes the game by collapsing that work into a single orchestrated flow. Four capabilities, layered together, make this possible.

1. Orchestration Across the Full Process

An integrated approach orchestrates the entire process from opportunity identification through to a cleared engagement, rather than handing work off between separate tools and teams, the professional does not leave one system to check a second and email a third. Removing these off ramps turns a fragmented process into a single one: every check begins the same way, and the system routes it based on the facts rather than requiring a professional to know in advance which path to follow.

2. Integration With the Systems That Hold the Data

A conflict check is a data problem before it is a rules problem. Integrated technology connects to the systems that already hold entity hierarchies, engagement records, restricted lists, and service catalogs, resolving that data into a single trustworthy picture of the client and its affiliates. The data already exists in the firm, the value is created by connecting it at the point of decision.

3. AI to Read What Rules Alone Cannot

Much of the data a conflict check depends on is unstructured, service descriptions, engagement letters, and scope documents describe in prose what the firm is doing. Applied AI reads these documents to flag where a proposed service may be non permissible, comparing it against existing engagements and applicable rules, while the professional retains judgment over the outcome. The measure of a good AI layer is precision, not just detection. A naive keyword approach buries reviewers in false positives, while a properly implemented AI system, informed by the firm's own expertise, surfaces genuine issues and clears the rest.

4. Internalized Rules, With Agentic Assessment

This capability ties the others together and makes the AI value proposition explicit. The regulatory rules governing when a service is permissible can be grounded in authoritative requirements such as the IESBA Code of Ethics, then combined with firm-specific independence policies that the system can read, interpret, and apply consistently across every check. For deterministic rules, the platform can encode the requirement once and apply it repeatably. For matters requiring professional judgment, an agentic layer can assess the facts, map them to the relevant standards and firm policy, and produce a proposed outcome with the rationale, evidence considered, and exceptions clearly documented. That explainability is critical for ISQM 1 and QC 1000 quality management because reviewers need to understand not only the conclusion, but also why the conclusion was reached, what policy basis was used, and when a case was escalated. The result is that routine cases clear automatically, complex or high-risk matters are routed to people, and human expertise is focused where judgment truly matters.

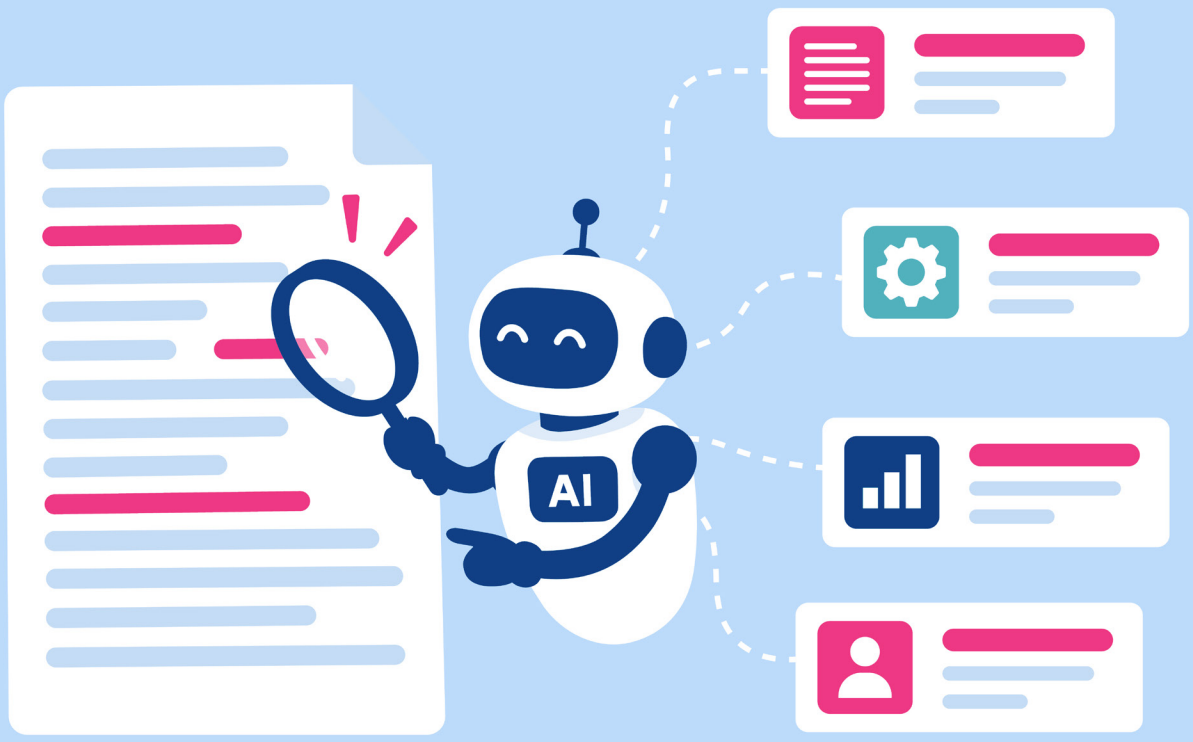
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From Weeks to Hours: An Illustrative Comparison

A prospective client asks two firms to stand up an engagement for M&A due diligence. Firm A runs its conflict check the traditional way: a professional gathers entity data from one system, pulls engagement history from another, cross-references a restricted list held by a third team, and circulates questions by email to determine whether the proposed service is permissible. The determination takes weeks, and the firm operates with incomplete confidence the entire time.

Firm B runs the same conflict check through an integrated, automated process: the system resolves the client's entity tree, gathers engagement and service history automatically, reads the proposed service description with AI, and applies the encoded regulatory rules. Most checks clear automatically within the hour, and the few involving genuine complexity are routed, facts already in hand, to the right partner for a decision in a matter of days.

Same rules. Same data. Two very different outcomes, and only one of them wins the engagement.



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What Automation Unlocks

Automating conflict checking is not only about doing the same work faster. It changes what the process contributes to the firm.

Speed That Wins Business

When most checks clear in minutes rather than days, conflict and independence checking stops being a bottleneck at the front of the client relationship, the firm can say yes to desirable clients before slower competitors finish their internal review.

Consistency and Defensibility at Scale

Encoded rules apply the same standard every time, essential under QC 1000's expectation of continuous, demonstrable monitoring. An automated process produces a timestamped record of what was evaluated and how, letting the firm demonstrate compliance dynamically rather than reconstructing it after the fact.

Capacity Returned to Professionals

Every check that clears automatically returns time to professionals and partners who would otherwise spend it gathering data and chasing approvals. In a profession facing a persistent talent shortage, that efficiency matters because it lets firms better leverage their people and redirect their capacity toward higher-value activities.

Risk Reduced Where It Is Most Costly

Independence and conflict failures carry among the most serious consequences in the profession, from regulatory sanction to reputational damage. Automation reduces that risk by ensuring every check runs against complete, connected data and a consistently applied rule set, catching relationships that a manual review, under time pressure, can miss.

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Conclusion

Conflict and independence checking brings the Firm of Tomorrow into sharp focus: a process where connected data, integrated systems, deterministic rules, and applied AI must work together to deliver speed, consistency, reclaimed capacity, and reduced risk at once. As consolidation multiplies the entities a firm must account for and regulators raise the bar on demonstrable independence, the manual approach becomes harder to sustain and easier to outcompete.

Kingland partners with many of the world's largest accounting networks to build exactly this kind of integrated, automated capability, orchestrating the process end to end, connecting the data it depends on, and internalizing the regulatory rules that govern it. To see how automated conflict checking could work for your firm, email outreach@kingland.com today to start the conversation.







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