

# 2026 SEC Exam Readiness: A Focused Checklist for Data, Documents and Communication

A targeted checklist for evaluating data handling,  
document management and client communications

CHECKLIST



SEC examinations cover a wide range of areas, including how firms manage client communications, maintain records and oversee day-to-day processes. These areas have received increased scrutiny in recent years. While most financial advisory firms may have policies and controls in these areas, gaps often persist. These gaps are most likely to emerge in workflows and communications that cross teams, systems, or process boundaries—where informal, convenience-driven behaviors can override prescribed controls and introduce compliance risk.

**Regulators have noted that recordkeeping gaps appear in nearly 89% of SEC deficiency letters, often because data handling and communications occur in unsupervised channels or records are not properly preserved.**

Use this checklist to evaluate whether your firm's policies are being followed consistently in practice, and whether the systems supporting them can withstand regulatory scrutiny.

This checklist is not a comprehensive representation of all areas covered in SEC examinations. It focuses specifically on data handling, document management and client communication workflows—areas of increasing regulatory scrutiny. It does not cover other areas of SEC examinations such as financial reporting, trading, or governance.

# 1. Client Communications and Record Retention

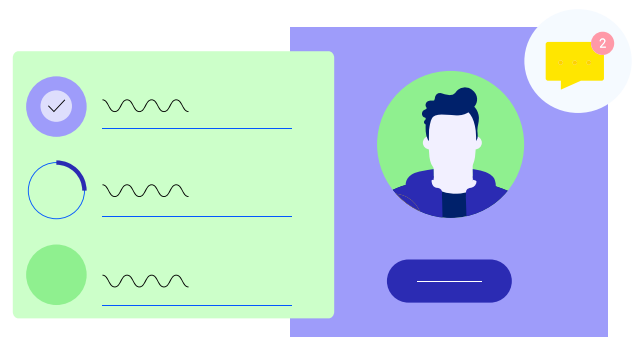
Examiners often review how firms capture and retain business communications with clients.

## Does your firm:

- Conduct client communications through firm-approved channels such as email or secure document sharing tools?
- Avoid conducting business through personal text messages, personal email or unsupervised messaging apps?
- Store client documents within firm-approved systems rather than personal cloud storage?
- Retain records in accordance with SEC record retention requirements, including Rule 204-2 for advisers and 17a-4 for broker-dealers, where applicable?
- Clearly communicate which tools employees should use when sharing files and communicating with clients?

## Can your firm:

- Actively monitor and review client communications for compliance?
- Retrieve records promptly and in full if requested during an examination?
- Confirm that retention systems meet regulatory expectations for tamper-resistant recordkeeping where applicable?



## 2. Cybersecurity and Protection of Client Information

Cybersecurity remains a major focus for SEC exams.

### Does your firm:

- Maintain written cybersecurity policies and procedures?
- Classify client data based on sensitivity and apply appropriate controls?
- Limit access to sensitive client information to authorized employees?
- Have a documented process for responding to a cybersecurity incident?
- Provide employees with training on protecting client data and identifying potential risks?
- Use secure systems when sharing documents or sensitive information externally?

### Can your firm:

- Monitor access logs and data activity to identify unusual or potentially unauthorized behavior?
- Execute and maintain an incident response program aligned with regulatory standards?
- Conduct periodic access reviews to confirm permissions remain appropriate?

## 3. Oversight of AI and Automated Tools

Regulators are paying closer attention to how financial firms use and supervise new technologies, including AI and automation.

### Does your firm:

- Maintain policies in line with emerging regulatory expectations governing the use of AI or automated tools within the business?
- Disclose how automated tools may be used in the advisory process, in line with emerging regulatory expectations?

- Define approved vs prohibited AI tools?
- Establish clear internal guardrails for how AI or automated tools can be used, including when human review is required?
- Train employees on acceptable AI usage scenarios?
- Define what types of data can/cannot be used with AI or automated systems?
- Review outputs generated by automated tools to confirm they are appropriate, accurate and consistent with how your firm serves clients?

## 4. Compliance Policies and Supervisory Oversight

SEC exams often include a review of how compliance programs operate in practice.

### Does your firm:

- Maintain documented policies and procedures that reflect current regulatory expectations?
- Apply relevant controls that support accurate disclosures and consistent recordkeeping across systems?
- Conduct reviews of employee communications and document activity, with records of those reviews available if requested?

### Can your firm:

- Conduct periodic testing of controls (not just policies)?
- Track, investigate, and resolve compliance exceptions?

# 5. Oversight of Third-Party Technology Providers

Many advisory firms rely on external platforms for document sharing, client portals or data storage.

## Does your firm:

- Conduct due diligence on vendors that store or transmit client information?
- Maintain policies governing how external platforms may be used for client communications or document exchange?
- Understand where client documents and communications are stored across your systems?
- Confirm that vendor tools support the firm's record retention practices?

## Can your firm:

- Confirm vendor agreements include data protection and recordkeeping obligations?
- Periodically reassess vendors for compliance and security risks?

## How Did Your Firm Score?

Count the number of items you checked.

### 27-34 checks

Your firm likely has strong processes and controls in place to support regulatory requirements and SEC exam readiness. However, readiness ultimately depends on consistent execution and the ability to produce clear evidence during an exam, as required.

### 16-26 checks

Your firm likely has a solid foundation. Reviewing the unchecked areas may help strengthen processes around communications, record retention or oversight.

### 15 or fewer checks

This checklist may highlight areas worth revisiting as your firm prepares for future SEC exams. Many firms use this type of review to identify opportunities to strengthen their compliance and operational workflows.

# Supporting Secure Client Document Workflows

As firms review how client communications and records are managed, many are also taking a closer look at the systems used to manage client documents and support document workflows.

When files are shared across email, messaging apps and personal storage accounts, it becomes harder to maintain consistent record retention and visibility—introducing potential security risks and compliance gaps.

ShareFile software enables firms to manage document workflows in a central, controlled, auditable environment. This supports recordkeeping aligned with SEC expectations and makes it easier to locate information during examinations, without patching together records across disconnected systems.

Ultimately, it comes down to maintaining a continuous, defensible record of client communications and documents—something regulators expect to see clearly and completely during an exam. Fragmented workflows make that difficult, especially when it matters most.

## A Final Question to Consider

If an SEC examiner asked your firm to demonstrate how client communications and records are managed, **could your team quickly and accurately show where those records are stored?**

If the answer isn't entirely clear, use this checklist to help highlight areas worth reviewing before your next exams.

Ready to discover how ShareFile software supports your compliance programs?








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