Delivering high-integrity accounting with Xero
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Untouched data feeds directly into Xero</td>
<td>4</td>
</tr>
<tr>
<td>A multi-layered approach to data integrity</td>
<td>5</td>
</tr>
<tr>
<td>Access controls</td>
<td>6</td>
</tr>
<tr>
<td>Monitoring and alerts</td>
<td>7</td>
</tr>
<tr>
<td>Controls and reporting</td>
<td>8</td>
</tr>
<tr>
<td>Infrastructure protection</td>
<td>10</td>
</tr>
<tr>
<td>Accurate reliable data you can trust</td>
<td>11</td>
</tr>
</tbody>
</table>
We live in a connected world where ongoing real-time access to accurate and credible financial data is critical.

For hundreds of thousands of subscribers, Xero is at the core of an online network, connecting business owners and employees with their customers, their advisors, each other, third-party applications, financial institutions and numerous other service providers.

Small business data not only contains individual transactions, but – in aggregate – provides context and clarity into business performance and helps inform decision-making. Every transaction counts.

This data also helps inform risk and influences advice. Protecting the integrity of data is vital, not only to accurately assess the ongoing performance of a business and its financial position, but also to help reduce risk for the business itself and for anyone working with the business.

Each party involved with the small business needs to have trust in the systems that are used to manage the financial data.

Xero delivers high-integrity small business accounting software

As an online solution, Xero delivers anytime, anywhere access to small business financial data.

In doing so, Xero provides a multi-layered approach to ensuring data retains its integrity when loaded into its accounting software, and helps ensure it remains safe and secure.

On an ongoing basis, Xero’s built-in controls and tools help inform users and their advisors if and when data has been modified. Xero also provides a range of tools to rectify any issues.

Combined, this approach helps ensure data keeps its integrity and – importantly – helps assure advisors and their clients that records are accurate and trustworthy.
Untouched data feeds directly into Xero

Everything starts with data: Xero provides multiple ways for data to be seamlessly fed directly into its accounting engine, without human intervention.

By ensuring data is fed into the system untouched, it has integrity from the beginning. By virtue of the sources – banks, financial institutions, large and small businesses – this flow of data not only saves time and effort, but it helps ensure the data is accurate.

Here are some of the ways Xero's open platform supports the automated processing and management of financial data.

- **Bank feeds**
  Bank transaction data flows directly into Xero through secure, electronic connections with a large number of banks.

- **Xero network**
  Small businesses and suppliers can use Xero to transact directly with each other seamlessly, ensuring data accuracy.

- **Xero Connect**
  Large businesses send invoices at scale directly into Xero, eliminating manual data input, and increasing accuracy.

- **Add-on partners**
  Transactions from more than 500 ecosystem partners flow directly and seamlessly into Xero.

- **Manual entry and importing**
  Xero provides tools to support efficient manual entry of data, with automated coding and speedy recoding.
A multi-layered approach to data integrity

Xero employs a multi-layered approach to protecting data to make sure it retains its integrity so all parties can be sure it’s accurate.

These layers encompass all aspects of the software: from the underlying infrastructure, controls on access to the application, alerts and updates by the application, to built-in controls that help monitor the ongoing integrity of the financial data.

Collectively, these help advisors and their clients be sure the data in Xero retains its integrity.
Access controls

Xero provides a range of controls that protect who has access to data in Xero.

Password protection

All Xero accounts are password protected. Xero customers can invite unlimited users into their account to collaborate on their data, but the person that holds the subscription has control over who has access and what they are able to do.

Because unlimited users are allowed, there is no reason for users to share passwords, which reduces risk and improves accountability since there’s an accurate record of who did what against each transaction.

Two-step authentication

Xero employs two-step authentication, where verification of identity for access to Xero combines two components: something that you know (your password), and something that you possess (your phone).

Two-step authentication verifies the identity of a customer logging into Xero by requiring them to use their existing password, and a unique code randomly generated by the Google Authenticator app on their smartphone, each time they log in.

Based on security best practice, two-step authentication means only the Xero user with access to that trusted device is able to log in, making it more difficult for unauthorised people to access their data and significantly reducing the risk of a Xero account being compromised by phishing or malware.
Monitoring and alerts

Xero provides a range of ways to monitor system usage and alert users to unusual activities.

View last logged in details
On the main dashboard, Xero shows when a user last logged in and where they logged in from to help make security front of mind for all users. More information on their recent login activities is also available, including when they logged in and where from. This helps users identify if their login credentials have been used inappropriately.

Additionally, Xero users can view a list of recent users who have logged into the organisation with details of who has logged in, when, and how often.

Proactive email alerts
Xero can also proactively email users when it detects unusual login activity in their account – activity that’s from a different IP address, physical location, device or browser than usual.

In addition to being able to view this information on the dashboard, email alerts help notify users of unusual activity without them having to login to Xero, helping to make any unusual activity visible.
Controls and reporting

Xero provides a range of built-in controls and reports that help users – and their advisors – monitor and understand updates that have been made to financial data, and inconsistencies or anomalies in the data.

This helps reduce risk for all parties, while helping ensure small businesses are working from accurate information.

View user activity at a transaction level

The history and notes section is available within all invoices, bills and transactions, contacts, and inventory items. It displays system actions and notes created by users against the item. These act as a record or audit trail of changes made to any transaction by any user and cannot be edited or deleted. Users can also add their own notes to a transaction or contact.
Multiple reports to monitor activity
Xero provides a range of reports that can be used to help monitor activity, validate the integrity of data, and understand and act on issues.

The Journal Report records all transactions that have taken place in the general ledger – it shows for example, an action by a user to create or modify a transaction but not an activity to email an invoice. The report shows each journal and the user who created it. The report can be exported to a spreadsheet to locate specific users, dates or actions.

Advisors can also display a list of the history and notes activity to see a summary of actions and notes recorded in Xero for an organisation. This record helps provide an audit trail of user activity within a Xero organisation.

Assurance Dashboard
The Assurance Dashboard helps advisors monitor their client data to ensure its integrity. It is providing a tool for detecting anomalies in a client’s data, monitoring activity and delivering continuous assurance. The Assurance Dashboard provides visibility across a range of activities, including:

- user access and activity, helping confirm who has got access to the client’s accounts, and how active the user is within those accounts
- bank account and transaction changes, showing the details of any manual bank account updates, specifically manually deleted statement lines or manually reconciled transactions
- contacts with duplicate bank accounts or whose bank accounts have been edited to help identify any errors or potentially fraudulent activities where funds for multiple contacts are being directed to a single bank account
- invoices or bills that have been created and backdated – such backdating could be legitimate or could indicate that someone has attempted to manipulate records

The dashboard complements other reports and tools within Xero by consolidating this information in one place, making it easier to identify and act on any anomalies in the system.
Infrastructure protection

Businesses and their advisors rely on Xero being available around the clock and on their data being kept secure.

Xero uses leading infrastructure to deliver high levels of performance, availability and resiliency. And we provide multiple layers of protection for the personal and financial information that we’re entrusted with.

Protecting your data

Data encryption
To protect personal and financial data, we encrypt all data that goes between Xero and our customers using industry-standard TLS (transport layer security). Customer data is also encrypted when it’s at rest – stored on our servers – and when we transfer it between data centres for backup and replication.

Network protection
We take an in-depth defensive approach to protecting our systems and our customers’ data. We use multiple layers of security controls to protect access. This includes firewalls, intrusion protection systems and network segregation. Our security services are configured, monitored and maintained according to industry best practice. We work with industry-leading security vendors and draw on their expertise. And we use global threat intelligence to protect our systems.

Secure data centres
We have robust security in place to prevent physical access to our servers. Our security measures include 24/7/365 monitoring and surveillance, on-site security staff, and regular ongoing security audits.

Security monitoring
Xero’s security team continuously monitors security systems, event logs, notifications and alerts from all systems to identify and manage threats.

Performance and resiliency

Xero is there when you need it, regardless of the day or time, or where you happen to be.

Best-in-class availability
Xero is available 99.99% of the time which is up there with the best. We run backup hardware, networks, data centres and infrastructure in case anything fails. This way, Xero will keep on running – with little or no disruption.

Built to perform at scale
Xero is designed to grow with your business. Our advanced servers, networks and infrastructure perform at a level that means we can deliver quality service to you and our hundreds of thousands of other users.

Disaster recovery and readiness
If there’s a disaster or other unforeseen event, we switch over to one of our replica facilities in a different location. This minimises the risk of data loss or outages.
Accurate, reliable data you can trust

Xero adopts a multi-layered approach to protecting customer data. So small businesses, their advisors, their financial institutions – and every other party with whom the business has a relationship – can trust the accuracy and integrity of the data in Xero.
Beautiful accounting software