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Risk Integrated Pioneers New Solution to Mitigate Spreadsheet Risk for Complex Financial Calculations



Risk Integrated, a consulting firm focusing on risk measurement for specialized finance, has announced a new solution for the effective management of spreadsheet risk. The company's Enterprise Spreadsheet Platform (ESP) follows client demands for a sophisticated system that focuses on current spreadsheet risk and regulatory requirements. The application allows banks to manage internal controls and audit reporting for complex instruments.

ESP aids the near elimination of spreadsheet risk in the enterprise computing environment, helping banks maintain control and full flexibility required for modeling complex financial structures. It is particularly useful for spreadsheet-based calculations that have to be applied across multiple instances of data inputs, such as individual deals within a portfolio distributed across the enterprise, while retaining centrally managed consistency and version control throughout.

By using existing core spreadsheets ESP allows for effective risk management without requiring users to learn new programming languages. This changes the landscape of spreadsheet risk dramatically as current spreadsheets, which have already been proven, can be used without any alteration to the underlying logic. The ESP hosts all spreadsheets on a server

that is accessible across a company's intranet. By storing all the data in a centralized location it allows users to see and audit all spreadsheets currently in use.

ESP also allows the company to establish and set user and group level security and permissions. A user who is responsible for data input does not require access to the underlying spreadsheet and by restricting access, operational risk is greatly reduced. With ESP, inputs and outputs are clearly defined and separable from the spreadsheet itself, thereby eliminating the introduction and propagation of errors in the core of the spreadsheets themselves.

Chris Marrison, CEO of Risk Integrated states, "Spreadsheet risk is something that has been overlooked in the past. As increasing regulatory pressure forces companies to assess this situation, it appears the technology is only just catching up with the problem."

As we continue to near the deadline for Basel II and other banking regulations, spreadsheet risk is becoming an increasingly important area. While solutions will be available for this in the future and specific programs to replace spreadsheets are already available, Risk Integrated is offering a solution now that can address the issue, without supplanting the existing spreadsheets at the core of the system. ■