

# Op**risk**& compliance

## 'Fat finger syndrome' tackled

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**New York** – Risk Integrated, a New York-based consulting firm focusing on risk measurement for specialized finance, has released the Enterprise Spreadsheet Platform (ESP), a solution for management of spreadsheet risk in banks.

Risk Integrated CEO Chris Marrison says the ESP solution is a response to client demands for a system to manage spreadsheet risk in complex financial calculations without having to replace core spreadsheets.

The inherent risk with any spreadsheet based system is that individual users can cause material losses through personal errors. Banks use numerous spreadsheets in their various business operations; and in many cases the spreadsheet risks such as the “fat finger syndrome” and “cut-and-paste” errors are not adequately controlled.

“A lot of reconciliation and analytical calculations are done on spreadsheets in banks and hedge fund operations. ESP greatly limits the amount of errors that



**Chris Marrison, Risk Integrated**

can be committed on the spreadsheet by creating a much tighter universe of users that can make changes to the spreadsheets,” said Marrison.

ESP 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 integrity throughout.

The ESP hosts all spreadsheets on a server that is accessible across a company’s intranet. By storing all the data in a centralised location it allows users to see and audit all spreadsheets currently in use. “This allows you to get a spreadsheet pricing model, load it in the system, and a user in Tokyo can log on and use it,” Marrison says.

The solution allows the risk management group or any other controlling group to change the model using excel, and allows banks to manage internal controls and audit reporting for complex reporting.

Yusuf Jafry, the chief technology officer of Risk Integrated said: “By only allowing access to the required functionality for each level of user we can provide a high level of control for any organisation that uses spreadsheets. Even those users with full access to spreadsheet functionality are still monitored by ESP.” ■