



Spreadsheet Risk Assessment

SPREADSHEET NAME:

The spreadsheet and/or its results are or will be used by many people.	
The spreadsheet has existed or will exist for a long period of time.	
The spreadsheet deals with a complex area of business.	
The spreadsheet and/or its results are used or will be used by senior management.	
The spreadsheet is complex.	
The spreadsheet's results are used as inputs to other applications/spreadsheets.	
The spreadsheet has been or will be changed many times.	
The spreadsheet has a financial impact.	
The spreadsheet is a template that is or will be used by other users.	
There has been or is expected to be a high staff turnover in the users of the spreadsheet.	
The spreadsheet and/or its results are or will be published to a party that is external to the organisation.	
The spreadsheet and/or its results are or will be used in assisting the organisation comply with legal or regulatory requirements.	
The spreadsheet contains manually keyed input.	
The spreadsheet is or will be used to amend raw data in another system.	
Others (specify):	

Source: Schultheis & Sumner, Butler, Access Analytic

Assessment of spreadsheet's inherent risk: **High** **Medium** **Low**

For spreadsheets with **High** inherent risk, often the best way to mitigate the risk is to have the model independently reviewed by an experienced spreadsheet auditor.

For a confidential discussion, contact Jeff Robson at Access Analytic on +61 8 6210 8500 or jrobson@accessanalytic.com.au

About Access Analytic

We provide financial modelling, management reporting and training services for companies that need to make decisions with confidence.

SUMMARY OF SERVICES

ACCESS ANALYTIC			
services	financial modelling: - capital raising - buy/sell business unit - business planning	management reporting: - budgets & forecasts - board/management packs - operational models	audit: - model review/audit - risk analysis & controls - model improvement
	training: open/in-house, classroom/mentor		

Access Analytic has many years' experience in spreadsheet model review and due diligence.

As a result, we are one of the few firms outside of the Big 4 accounting firms with an outstanding reputation for independent financial model auditing.

SAMPLE OF RECENT SPREADSHEET REVIEWS

Description	Sector	Value (AUD \$m)
Resources project	Resources	\$24,000
Nickel mining project	Resources	\$450
Gold mining project	Resources	\$7
Agribusiness investment	Agribusiness	\$20
Agribusiness investor model	Agribusiness	N/A
Government tender bid	Services	\$690
Services company MBO	Services	\$12
Beverage manufacturing	Manufacturing	\$9

SAMPLE OF REPORTED SPREADSHEET ERRORS

Many studies over the last 10 years have shown that 80-90% of significant spreadsheets contain errors!

Some embarrassing public examples:

- **Fannie Mae:** \$1b underestimate of shareholder equity
- **Magellan Fund:** missing minus sign turned \$1.3b loss into \$1.3b profit
- **TransAlta Corporation:** \$24m write-off due to a cut-and-paste error
- **Access Analytic:** we identified an error of \$800m during the audit of a model that was about to be used as the basis for a major tender

For more, visit <http://www.eusprig.org/stories.htm>

CONTACT

Contact Jeff Robson at Access Analytic for a confidential discussion of your spreadsheet risk assessment, audit, or review requirements.

Phone +61 8 6210 8500

E-mail jrobson@accessanalytic.com.au

Web www.accessanalytic.com.au