



EuSpRIG 2006 Conference Report

Managing Spreadsheets: Improving corporate performance, compliance and governance

2006 European Conference on Spreadsheet Risks hailed as best yet

"I found it really stimulating and rewarding - far and away the best one yet", said one delegate after the seventh annual conference of the European Spreadsheet Risk Interest Group (eusprig.org).

Held in Cambridge, UK, from July 5 to 7 inclusive and sponsored by *Mobius Management Systems*, it attracted the largest number yet of delegates and the most relevant papers from both practitioners and researchers.

The keynote address from Dean Buckner of the *UK Financial Services Authority* highlighted that the risks around the uncontrolled development and use of spreadsheets are now being recognised and that some financial institutions are accepting that there is a continuing need for spreadsheets in their review of strategic IT solutions. This recognition is leading to the development of the relevant risk mitigation and management procedures within these organisations. Nonetheless, the FSA visits continue to find a lack of good training and internal auditing, in spite of the good effect of Sarbanes-Oxley compliance.

These themes of the benefits of controlling the spreadsheet environment and user training were developed later in the conference.

Garth Landers of *Mobius*, Keith Bishop of *Qtier software*, Dr Yusuf Jafry of *Risk Integrated* and Brian Sentance of *Xenomorph* all gave presentations of software solutions which provide a control and audit capability layer around the development, change control, and ongoing use of spreadsheets (and spreadsheet systems). This has particular relevance to the financial markets where spreadsheets are used to support the buy/sell decisions and also provide the compliance monitoring required by the regulator where a failure in either of these areas could have a significant impact. Its wider relevance is that most businesses will use multiple spreadsheets for budgeting and planning, and should be mitigating the risk of error by the application of appropriate controls and ensuring that the key personnel have the correct level of training and experience.

The prevalence of errors in spreadsheets and their impact were highlighted by two presentations. Don Price of *HM Revenue and Customs* (UK) gave a fact-packed talk about the Return on Investment of the HMRC audit of VAT spreadsheets. Over 2003-2005, they assured £3M tax per audit hour and found that 14% of audits generated additional revenue. Grenville Croll and Ray Butler (UK) issued a Public Health Warning on how potentially serious weaknesses were found while testing a number of publicly available clinical spreadsheets. They found poor practice and error-prone construction, lack of documentation, lack of evidence of testing, and few controls on data and structural integrity.



Brandon Weber of *Microsoft Corporation* (USA) outlined Microsoft's recommendations on strategies for addressing spreadsheet compliance challenges. On the final day, he held an interactive session with the audience that provoked encouraging and stimulating dialogue about how to improve usability and help users avoid mistakes and get better, faster models.

Ray Panko of the *University of Hawaii* (USA) analysed in depth the subject of spreadsheet testing, clarifying many of the terms that are commonly used confusingly, such as testing, auditing, inspection, and review; including comments on tools to assist these. His recommendations were to create a test policy, use static testing and execution testing for regression where appropriate, and use logic testing for comprehensive testing.

To be able to test, one needs to know what the spreadsheet is intended to do, and that was the focus of Louise Pryor's talk on "**What's the point of documentation?**"

Simon Murphy focused on commercial spreadsheet review techniques, in particular on how to perform a rapid assessment of the build quality of a spreadsheet.

The student papers were well received and an excellent promise of future developments. The winners of the student prize sponsored by the ISACA Northern England Chapter were Alan Rust and Brian Bishop from Kevin McDaid's team at the Software Technology Research Centre of the Dundalk Institute of Technology (Ireland) with their innovative paper on "**Investigating the potential of Test-Driven Development for Spreadsheet Engineering**". In a sense, spreadsheet creators are the original agile developers, so it is appropriate that the Dundalk team chose to apply Agile disciplines!

Venkat Vemula and Simon Thorne from Pat Cleary's team at the *University of Wales Institute in Cardiff* (UK) performed experiments on the effect of pair working on spreadsheet quality. Simon Thorne also examined the value of Example Driven Modelling for decision support systems. Michael Purser, a student with David Chadwick of the University of Greenwich (UK), studied how awareness of error types might help end-users in identifying spreadsheet errors.

In a session on training, David Chadwick launched an initiative on the better teaching of spreadsheets in education. Barry Lawson of *Dartmouth College* (USA) presented an interesting analysis of a survey of a large number of professional spreadsheet users. Paul Blayney of the *University of Sydney*, Australia, applied his skill in automated test setting and marking to detecting the specific error of embedded constants in formulas.

Jocelyn Paine offered a mathematical model of spreadsheets that enables rapid structural reshaping.

Richard Brath of *Oculus* showed how three-dimensional visualisation can be used to review spreadsheet data.

Ben Van Vliet of the *Illinois Institute of Technology* described a spiral development methodology for rapid prototyping in financial markets.



The conference was distinguished by uniformly open and supportive discussions between commercial rivals; and the delegates and speakers were generous to a fault with their expertise and knowledge.

Tom Grossman's after-dinner speech challenged us to tackle the "Spreadsheet Problem" by education and offering solutions rather than dire predictions of risk. We hope that next year's conference will demonstrate how well the community has responded to that challenge.

Past chair Ray Butler concludes: 'This year marked EuSpRIG's coming of age. When Dave Chadwick, Pat Cleary and I first thought up this idea of holding a conference and wondering if it would be worthwhile we never imagined it would lead to a community of interest, a body of knowledge, collaborations, presentations and papers this quality.'