Figure 48—Impact Assessment

Considerations for Assessing Impact	Low	Moderate	High
Total dollar value processed by the spreadsheet	<20% of materiality	20-50% of materiality	>50% of materiality
Purpose of the spreadsheet output	Analytical review	Financial reporting disclosures	Posting to the general ledger
Overall assessment of impact:		(1-Low, 2-Moderate, 3-High)	

Figure 49—Likelihood Assessment

Considerations for Assessing Likelihood	Low	Moderate	High
Complexity of the spreadsheet	Low (used for logging or data tracking)	Moderate (simple calculations or minor journal entries)	High (complex modeling, pivot tables, or other data source)
Number of users of the spreadsheet	1 user	<5 users	>5 users
Frequency of changes to the spreadsheet	Infrequent	Occasional	Frequent
Overall assessment of likelihood:		(1-Low, 2-Moderate, 3-High)	

Figure 50—Composite Risk Assessment

Assessment of Impact (1-3)			
3 (Low)	6 (Moderate)	9 (High)
2 (Low)	4 (Moderate)	6 (Moderate)
1 (Low)	2 (Low)	3 (Low)

Assessment of Likelihood (1-3)

Once the risk rating is complete, establish an action plan to address the spreadsheets. The following action plan is provided as a guideline:
– Composite risk rating 1-3—The inherent risk of the spreadsheet is low. No action will be taken.
– Composite risk rating 4-6—The inherent risk of the spreadsheet is moderate. Implement and assess spreadsheet controls described in 3a-3c.
– Composite risk rating 7-9—The inherent risk of the spreadsheet is high. Implement and assess spreadsheet controls described in 3a-3g.

3. Implement/assess spreadsheet controls—Based on the composite risk ratings noted previously, the following spreadsheet controls are provided as a guideline. Other controls may be considered necessary depending on the circumstances of the organization and its use of spreadsheets.

a) Access control—Limit access to the spreadsheets by storing them on a network server and assigning appropriate access restrictions.

b) Change control—Establish a process for making changes to the spreadsheet, including documenting the change in a tab within the spreadsheet.

c) Documentation—Ensure that the appropriate level of spreadsheet documentation is maintained and kept up to date to understand the business objective and specific functions of the spreadsheet.

d) Testing—Formally test the spreadsheet by having someone who is independent of the business process review it. Have that individual confirm that the spreadsheet processing and related output is functioning as intended.

e) Input control—Reconcile data inputs to source documents to confirm that data are input completely and accurately.

f) Security and integrity of data—Prevent unauthorized or inadvertent changes to the spreadsheet by "locking" or protecting sensitive cells that are important for data processing, such as formulas and master data.

g) Logic inspection—Have someone other than the user or developer of critical spreadsheets inspect the spreadsheets' logic. This review should be formally documented.