

PHOENIX KNOWLEDGE MANAGEMENT PVT LTD.

BES FOR CORPORATE GOVERNANCE & CLAUSE 49 COMPLIANCE

Introduction:

"Corporate Governance in view of SEBI revised clause 49 has cast on the CEO and CFO responsibility to certify that the financial statements present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations and do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

The revised clause 49 also casts an additional responsibility on CEO and CFO for *establishing and maintaining effective internal controls*, *evaluation of their effectiveness* and disclosure of the deficiencies in the design and operation of internal control to the auditors and the Audit Committee and steps intended to be taken to rectify deficiencies if any."

The concept of Corporate Governance hinges on total transparency, traceability, integrity and accountability of the management which includes non executive directors. It is a System of making management accountable to the shareholders for effective Management of the companies.

Spreadsheets are being used in various departments including Corporate Finance, Retail, Treasury and Corporate Lending departments, in Banks for:

- Reporting, MIS, General MIS, internal / external reporting,
- Transferring data within and between departments,
- System downloads, Down-loading the data from various systems
- Tracking,
- Uploading
- RBI returns, Schedules
- Preparing both standardized and customized reports
- Productivity
- Reconciliation of Loan Accounts
- Re-computation of outstanding etc.

REPORTING CONSTRAINTS:

Even in presence of a reliable and secured CBS package and other secured systems the information generated by these systems is generally dumped in other format viz. MS Excel and massaged to generate various critical reports like final accounts, budgets, MIS. The information compiled is prepared, operated upon, linked, viewed and reviewed at various levels.

Some of the constraints faced by organizations are:

- Files are in password protected desktops making data person centric
- Audit trails of different versions are not scalable
- Change Management of Data, formulae, macro not possible
- Cannot restrict people to access parts of data thus creating several linked data sheets
- No controls to restrict unauthorized users accessing data
- No mechanism to know who has made changes in the data and what changes are made
- No Time Stamp to ascertain when data is created
- No clue as to who is accessing what data
- Activity level in a worksheet cannot be grasped in a glance.

PKMPL— 'BOARDWALK' (BES) SOLUTION

It has been observed that the simplicity and flexibility of MS Excel has made it a popular tool for preparing reports. However, it lacks even the basic security and authenticity features very significant for Corporate Governance. Also MS Excel is highly vulnerable to mistakes, manipulations and fraud. In this situation 'Boardwalk' offers **BES** - a platform where one can continue using spreadsheets as a front-end. It's a unique blend of spreadsheets & its patent pending TDBMS backend with security features which take care of authenticity, availability, Integrity and provide a complete audit trail in time. This in turn squarely establishes the responsibility of input, creation and massaging of the data. No need for consolidation & validation with **BES**.

BES facilitates:

- Data generation for ad hoc requirement
- Upload & Download from Banking Software
- Sudden format changes in traditional reports on behalf of management, compliances
- Incorporation of data coming from other spreadsheets, .txt, .csv formats
- Creating different views for various audiences
- Generation of Reports & Distribution on portals
- Single Database for reports to facilitate data analysis
- Customized Front-end can be devised embedding various business logic & algorithms

BES provides controls over spreadsheets:

- Time Stamp for every data
- Keep a track of who is creating/editing the data at cell level
- How the data has evolved in a cell
- Data, formulae, workflow versioning
- Automate Report preparation and distribution
- Access control based on users, groups, roles and privileges
- Spreadsheet security and data integrity
- Data secured in a Tabular Database
- Interface with other environments & data sources
- Maintain business work processes of every spreadsheet as desired by auditors.
- Easy to access Dashboards for report viewing
- Maintain Central Repository of spreadsheets

BES is a unique solution that promotes:

- Multi-user collaboration
- Existing spreadsheets, eliminate email
- Work concurrently or in isolation
- All changes instantly shared & versioned
- Multi-level consolidation
- Automatic Bi-directional roll-up
- Incremental data flow
- Active reporting
- Real-time updates
- Understand what's changed
- Secure, centralized data management