



**Company:** DIRECTV

**Web Site:** www.directv.com

**Company Size:** \$21.6 billion

**Industry:** Satellite Broadcasting

**Country:** El Segundo, Calif. (USA)

**Company Profile:**

Satellite-based television services for homes and businesses.

**Software Deployed:**

- Prodiance Enterprise Spreadsheet Manager
- Prodiance Spreadsheet Compare
- Prodiance Spreadsheet IQ
- Microsoft Office SharePoint Server 2007

## Embedding Spreadsheet Governance into Everyday Business Processes at DIRECTV

*“With the Prodiance solution in place, we’ve improved confidence in critical spreadsheet data, while providing a sustainable solution to manage spreadsheet risk and compliance across the company.”*

- Dianne Binkoski  
Senior Manager of Internal Controls & Compliance, DIRECTV

### Compliance Drives Increased Focus on Spreadsheets

With over 18.5 million customers and \$21.6 billion in annual revenue, DIRECTV, is a clear leader in satellite TV broadcasting. Like many successful organizations, Microsoft Office Excel spreadsheets were critical to their financial reporting, close the books, and tax processes. As such, these spreadsheets were also integral to their overall corporate information and decision-making process. The Sarbanes Oxley Act increased focus on internal controls for spreadsheets used in GL transactions, footnote disclosures, and other close activities.

### Creating the Culture

As a result, the company took a proactive approach, and initiated a project to strengthen controls over their spreadsheet environment. DIRECTV first established the right culture by adopting a formal corporate-wide policy for spreadsheet management. The policy specified a methodology and control requirements, usage guidelines, and a framework for categorizing spreadsheets according to their risk level. Critical spreadsheets were defined as those having material amounts or balances recorded in the general ledger or those used to support financial statement disclosures. In addition to the policy, the internal controls coordinator was designated as the Spreadsheet Controls process owner.

### Automated Controls Drive Sustainability

After the policy was adopted, a manual control process was implemented requiring recalculations to validate all critical spreadsheets every quarter. This required an exorbitant amount of time and resources, and the company realized it was not sustainable. To drive down these costs, the company decided to



implement an automated spreadsheet control solution. “By leveraging software to continuously monitor and control critical spreadsheet models, we realized the process could be streamlined,” said Carrie Kusyk, Manager, Internal Controls & Compliance at DIRECTV. Manual recalculations could then be minimized or eliminated altogether for models that have not changed.

“We wanted to take a best practices approach by embedding spreadsheet controls into everyday business processes by leveraging technology to drive down the cost,” said Dianne Binkoski, Senior Manager of Internal Controls & Compliance at DIRECTV. “With this approach, we could ensure spreadsheet risk and compliance became part of our DNA and doing business as usual. We also wanted to provide tools to enable spreadsheet owners to efficiently manage their own risk.”

## Leveraging Best Practices

To determine which spreadsheets required controls, Dianne and her team created an inventory of spreadsheets used across DIRECTV finance and accounting operations and certain other processes with significant financial impact. Then they followed best practices and auditor guidance to assign appropriate risk levels. Any spreadsheets designated as High Risk became candidates for control. For each High Risk spreadsheet, a gap analysis was performed against the required spreadsheet controls recommended by the company’s internal and external audit groups. It was decided that all complex and mission critical spreadsheets would have the following IT controls applied to them:

- Change control
- Version control
- Access control
- Documentation
- Back-ups
- Input control
- Security & integrity of data
- Archiving
- Overall analytics

## The Solution

With the policy and inventory complete, DIRECTV set out to evaluate and select a technology solution to help them automate these controls and embed them into spreadsheets used in the financial reporting and close processes. “We needed a solution that would accelerate user adoption while satisfying control requirements for SOX compliance,” said Kusyk. “Prodiance understood our unique business needs, satisfied all key control requirements, and provided us with a cost effective and easy-to-implement solution.”

DIRECTV leveraged the Prodiance Enterprise Spreadsheet Manager System and Microsoft Office SharePoint Server 2007 to implement the required controls over more than 100 critical spreadsheets. SharePoint was chosen as the core document management backbone for storing spreadsheets, and the Prodiance system was chosen to provide specific controls including cell audit trails, change management, diagnostics, and reporting. In addition, Prodiance provided native integration with SharePoint versioning, workflows and reporting.

All critical spreadsheets were then placed under audit, version and change control with the Prodiance system. This ensured that any structural changes made by end users were tracked, and those requiring approval were routed electronically to managers via automated workflows. The workflow leverages role based security and access control, ensuring that segregation of duties are always enforced. Workflows were configured and deployed to ensure quarterly approval of access permissions for all critical spreadsheets as well as routine review and approval of changes to spreadsheet logic. Prodiance Spreadsheet Compare was leveraged as a productivity tool to allow reviewers to quickly validate critical changes affecting spreadsheet integrity in a color coded, side-by-side view.

In addition, Prodiance Spreadsheet IQ was leveraged as a diagnostic tool to identify any logic issues including inconsistencies, formula errors, or broken links. Any issues found were then discussed with spreadsheet owners and remediated.

## Return on Investment

“As a result of automating spreadsheet controls with Prodiance, DIRECTV has efficiently integrated people, process and technology to manage spreadsheet risk and compliance across the company,” said Kusyk. By embedding spreadsheet controls into routine financial reporting and close processes, DIRECTV has realized a combined governance, risk management and compliance value proposition, including:

- Cleaner, more efficient spreadsheet models, resulting in fewer errors.
- Enhanced controls over critical spreadsheets, so process owners have greater confidence that spreadsheet models are operating as intended.
- Strong adoption of Prodiance technology.
- Real-time access to spreadsheet review diagnostics, resulting in faster audits and reduced audit fees.
- Sustainable compliance with SOX mandates and auditor guidance for spreadsheet control.

“With the Prodiance solution in place, we’ve improved confidence in critical spreadsheet data, while providing a sustainable solution to manage spreadsheet risk and compliance across the company.” said Dianne Binkoski, Senior Manager of Internal Controls & Compliance at DIRECTV.



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