



## Major New York Health Insurance Provider

### Major New York Health Insurance Provider Uses ClusterSeven to Ensure Financial Accounting Accuracy and Regulatory Compliance

This New York-based organisation is a major health insurance provider to millions of people in the region.

#### The Challenge

The use of spreadsheets is widely prevalent in the Health Insurance Provider's organization, especially in the finance and accounting department for complex data modelling, manipulation and account reconciliation. Several years ago, an inadvertent mistake occurred in a financial statement, due to a formula being accidentally changed in one of the business-critical spreadsheets that was feeding into the report.

While the error was caught in a timely manner, the risks that spreadsheet errors posed to the business clearly came to light. At the time, the organization had no reliable controls in place to ensure the accuracy and integrity of data that was being used for financial and regulatory reporting.

"Spreadsheets errors are a source of financial, operational and reputational risk, which can cause significant and long-term damage to a business," elaborated Henry Umney, CEO, ClusterSeven. "Due to the complexity of spreadsheet applications, manual processes for spreadsheet control and management always fall short."

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ClusterSeven*

Recognizing the gap in the organization's risk management processes, the Health Insurance Provider's Board decided to proactively undertake measures to pre-empt such errors from repeating.



## The solution

The Health Insurance Provider investigated a number of spreadsheet management solutions, selecting ClusterSeven for its consultative approach and a widely deployed and proven product portfolio in the financial services sector.

Today, the solution is deployed in the organization's finance department with over 50 employees using the solution.

## The benefits

The finance department at the Health Insurance Provider has a complete understanding of its spreadsheet landscape based on a thorough inventory of files, the relationships between them alongside the associated risks. ClusterSeven enabled the department to categorise the spreadsheets, tiered by their criticality and risk to the business.

All the most business critical spreadsheets are registered in ClusterSeven and are routinely, non-intrusively monitored for changes with authorization and escalation processes to ensure integrity of data and that information that is being fed into financial statements is accurate and correct. ClusterSeven has been configured to allow the organization to manage the review and sign off processes, right down to critical cells in high-risk spreadsheets.

As a not for profit organization, the Health Insurance Provider is subject to the Model Audit Rules, the industry's counterpart to the Sarbanes Oxley Act of 2002 (SOX). ClusterSeven is enabling the organization to demonstrate compliance with MAR, by providing auditable evidence that the organization has all the necessary controls in place to ensure corporate governance and financial accountability.

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*Manager Finance Compliance at  
the Health Insurance Provider*

"We see ClusterSeven as a major control to help ensure regulatory compliance and accuracy of financial reporting," the Manager Finance Compliance at the Health Insurance Provider commented.

## The future

"In the current business environment where financial and regulatory scrutiny is at its highest yet, spreadsheet management is a key risk management function," the Manager Finance Compliance added. "We are now looking to upgrade to the latest version of ClusterSeven to benefit from more advanced functionality and will be exploring all options for deployment, including in the cloud.

For more information about ClusterSeven, please visit [www.clusterseven.com](http://www.clusterseven.com)