

Your move

A career decision – like any big decision – requires careful thought, planning and consideration. Or does it?

Decision trees, probability analysis, timelines – all are the stuff of modern, rational decision making. But according to the work of one psychologist, expert intuition is an overlooked yet essential ingredient in decision making.

Gary Klein, author of *Sources of Power: How People Make Decisions*, suggests that intuition based on recognition and experience drives good decisions. Klein, whose work began by developing flight simulation training programmes for the United States Air Force, interviewed and examined leaders in forest-firefighting, piloting, emergency rooms and other high pressure jobs to find out how people made critical decisions.

It turns out that the old models don't apply to experts. Experienced people would make judgments based on repeated exposure to similar sets of circumstances – the so-called “hunch.” “Experienced decision-makers see a different world than novices do and what

they see tells them what they should do. Ultimately, intuition is all about perception. “The formal rules of decision-making are incidental,” Klein says.

Interestingly, Klein also noted a tendency not to compare options when making decisions, but to individually test each course of action on its own merits by simulating the stream of events that would follow. So for example, if someone must decide whether to take the bus, the train or drive to work, that person will run through each individual scenario to its final conclusion and then decide if it's a good decision

or not. In other words, an expert will come up with a plan and then rapidly assess whether it will work or not. Less experienced people are the ones using traditional decision-making models.

How does this fit into the accounting world and your job? Accounting standards are moving towards a principles-based system, where the onus lies with the individual to make the right judgment. Effective decision-making skills are now counted among the leadership skills that accountants need to have.

More personally, career planning requires a lot of big decisions. Is it the right job, is the money right, or should I move? Recognising how you're going to make decisions can help you be smarter on your feet. But your career is your life. Only you have lived it. Trusting your instincts, rather than trying to build a complicated chart, might be the best way forward when facing such decisions. After all, a career move is your move.

“An expert will come up with a plan and then rapidly assess whether it will work or not.”

▶▶▶ People on the move

Allan Lee has joined Horwath Hong Kong as senior manager, Technical and Learning, with effect from 1 December 2005. Lee joins Horwath from Deloitte Touche Tohmatsu and has over 14 years of experience in assurance and training roles.



Grant Thornton has announced its first promotion of 2006. **Patrick Rozario** has been promoted to principal, Business Risk Services, to head the firm's internal audit, corporate governance, Sarbanes-Oxley, internal control, technology risk and risk advisory engagements.





Building SOX compliant spreadsheets

by Carson Cheng

Sarbanes-Oxley compliant spreadsheets provide worthwhile data protection – and peace of mind.

How do you ensure that a formula or data set in a mission-critical spreadsheet has not changed without your knowledge? Access control is a common issue when managing spreadsheets. Getting the right procedures in place can remove a lot of worry for senior management – it can also allow you to segregate the duties of your colleagues more effectively.

An example of access control is protecting a spreadsheet formula with a password. General users can only enter values in designated areas, but cannot change the underlying formula.

In smaller companies there can be many practical difficulties governing access control. For example, the development and testing of logic in spreadsheets, whether a simple SUM formula or a sophisticated macro written in Visual Basic for Application (VBA), may all fall to one person. Segregation is desirable, but it may be difficult if there isn't sufficient breadth of knowledge and skills.

This is a challenge now facing many companies, as they grapple with the demands of the Sarbanes-Oxley Act. The act requires management to tighten access control of spreadsheets or other end-user applications. It's an example of how Sarbanes-Oxley compliance can deliver benefits and clear thinking – even if it seems like a curse at the outset.

A guide to protecting spreadsheets

In Excel, protection can mean two things – locking and hiding. The former prevents data or logic from being modified or deleted, while the latter focuses on hiding data or logic from the spreadsheet users. These functions are different but complementary. For instance, you can protect a sensitive formula in a cell by hiding it, but the protection is meaningless unless you lock up the spreadsheet to prevent the user from bringing it out of hiding.

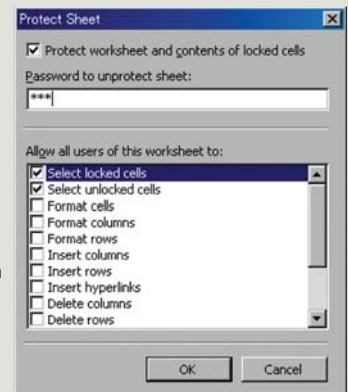
Few people realise that up to eight kinds of password can be set in one Excel file. Since these serve different purposes, management must decide which are required and which can be set with a common password. Such considerations require sound knowledge of the business operations and constraints on a case-by-case basis.

Carson Cheng is a senior consultant with ABeam Consulting and was voted one of Microsoft's Most Valuable Professionals. hocheng@abeam.com

Protection: the options

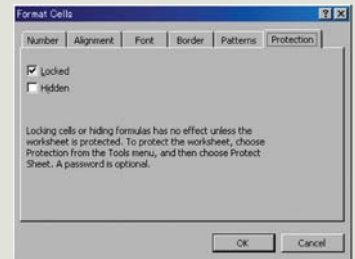
▶ Locking cells with one password

All cells are locked by default, but the lock is not activated until you choose "Tools, Protection, Protect Sheet." There are a lot of actions that you can specifically grant to a user. For example, you can disallow a user from selecting locked cells. Try going through the list to explore other possibilities.



▶ Editing cells

To allow users to edit a cell, you have to select it and then unlock it by unchecking "Format, Cells, Protection, Locked."



▶ Locking cells with multiple passwords

If there is more than one group of users using a worksheet and each group is responsible for a different range of cells, you can set a password to each of the ranges individually. Choose "Tools, Protection, Allow Users to Edit Ranges."

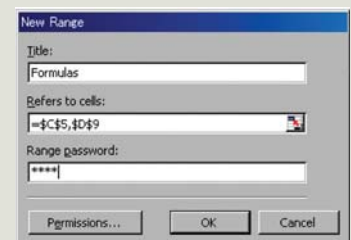


▶ Defining a range

Pressing "New" will allow you to define a range to be protected. In this example, Cells C5 and D9, named after "Formulas," contain formulas to be protected.

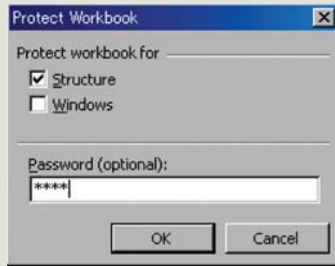
Again, the lock is not activated until you protect the worksheet.

Note that inside "Permissions" you can assign designated user groups in your computer network to edit the range without a password. Therefore, you can possibly assign rights to certain computers.



▶ **Locking spreadsheet structure**

By locking a workbook's structure, you can prevent unauthorised people from deleting any worksheet in a workbook. Choose "Tools, Protection, Protect Workbook."



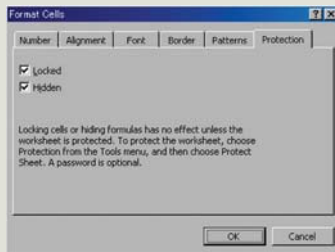
▶ **Locking changes (audit trails)**

If you are familiar with Track Changes, you'll be happy to learn that you can lock up your audit trails by choosing "Tools, Protection, Protect and Shared Workbook."



▶ **Hiding a formula**

If you want to hide a sensitive formula in a cell, check "Format, Cells, Protection, Hidden," and then protect the worksheet by choosing "Tools, Protection, Protect Sheet."



▶ **Hiding a worksheet**

You can hide a worksheet containing a lot of sensitive data by choosing "Format, Sheet, Hide." To prevent the user from un hiding it, you should lock the workbook structure, as described above.

▶ **Protecting a workbook**

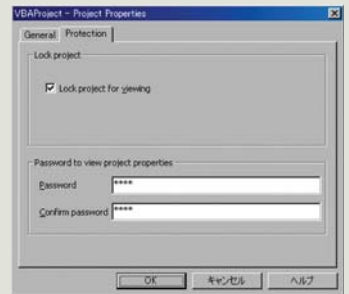
Users without edit authority can be given a read-only password, while other users can be given a read-and-write password. To set these two different passwords, choose "File, Save As, Tools (on the top-right corner), General Options."



▶ **Hiding macro or VBA programmes**

Programme codes are vulnerable to accidental changes or malicious acts. Protect them after testing and approval.

You can hide your macro or VBA programmes by checking "Tools, VBA Project Properties, Protection, Lock project for viewing," inside Visual Basic Editor.



▶ **Protecting a workbook by Information Right Management (Excel 2003 only)**

If the password for opening a workbook is leaked, access control is immediately lost. Moreover, you may end up with too many passwords to manage. IRM fixes this problem by having user accounts, instead of passwords, to grant rights to a workbook.

Every user should have an email address, or .NET account (for logging on to Messenger) for identification, so every user needs to memorise only one password (for workbook-level protection).

Choose "File, Permission, Do Not Disturb," or click on the Permission icon on the Standard toolbar. Check "Restrict permission to this workbook" and then click "More Options." IRM gives the file owner a high degree of flexibility in granting usage rights. You can specify who can read and who can edit the contents of the workbook. You can also specify who can print and whether read-only users are allowed to copy contents of the file. You can even specify when the authorisation will expire.

In this example, Tester1 can only read the workbook while Tester2 can make changes. They are both allowed to print, but Tester1 is not allowed to copy content. The access rights will lapse after 31 December 2006, and only the file owner will be able to open it.

Note that you need the installation of Windows Rights Management Client, a .NET passport and access to the Internet. Large companies that do not want to rely on external resources can install Rights Management Services on their server.



Smart hires

Hiring the wrong person can be costly, especially for small and medium practices. Here are some interviewing tips to help you get it right first time.



“A candidate may have the right skills and seem like a good fit for the company’s culture, but do they have the motivation and the commitment?”

Del J. Still, president of Management Development Systems in the United States, has researched and written extensively on effective interviewing. In his book, *High Impact Hiring*, Still claims, “the major weakness with most employment interviews is the lack of structure.” He argues that a structured interview simply means having prepared questions based on an exacting definition of the right candidate. These must be delivered in the same fashion to each interviewee, and followed up with careful consideration.

Planning an interview means mapping out the qualities and skills you’re looking for, then building a list of questions around those requirements. Remember that questions about someone’s abilities shouldn’t be about confirming elements in the candidate’s résumé. For example, a candidate may have the right skills and seem like a good fit for the company’s culture, but do they have the motivation and the commitment?

According to Guy Day of recruitment specialist Ambition, questions should be directed at a candidate’s potential performance. Try asking how the candidate would lay out a type of payroll ledger, not if they can use Excel. Or if you are hiring a business developer, ask candidates how they approach potential clients, not if they have sales experience.

Once you have prepared an interview plan, stick to it. If you ask different sets of questions to different candidates, you can’t make a proper comparison. Another important point is to ensure plenty of open-ended questions. Inexperienced interviewers often do too much talking, rather than letting candidates reveal their character. “Let the candidate talk 75 percent of the time,” says Day.

Behavioural questions, such as, “Give me an example of when you showed leadership,” or “What makes you stand out from others?” force candidates to think on their feet. Day notes that many candidates will be primed to answer these, so be ready to ask follow-up questions to check you’re getting an honest answer. If you ask how a candidate handled an unhappy customer, ask for more details about the incident to find out how genuine the answer is.

Always remember that the point of an interview is to get a true picture of the job seeker, so make the candidate comfortable right from the time they arrive with a friendly greeting and a bit of small talk. Be sure to explain what will happen in the interview.

Finally, try not to make up your mind immediately after interviewing a promising candidate. Take the time to compare the candidates after all the interviews are done and review your decision with someone else. It means extra effort, but it’s critical to making a smart hire.