



COVID-19 AND KEY BUSINESS RISKS



INTRODUCTION

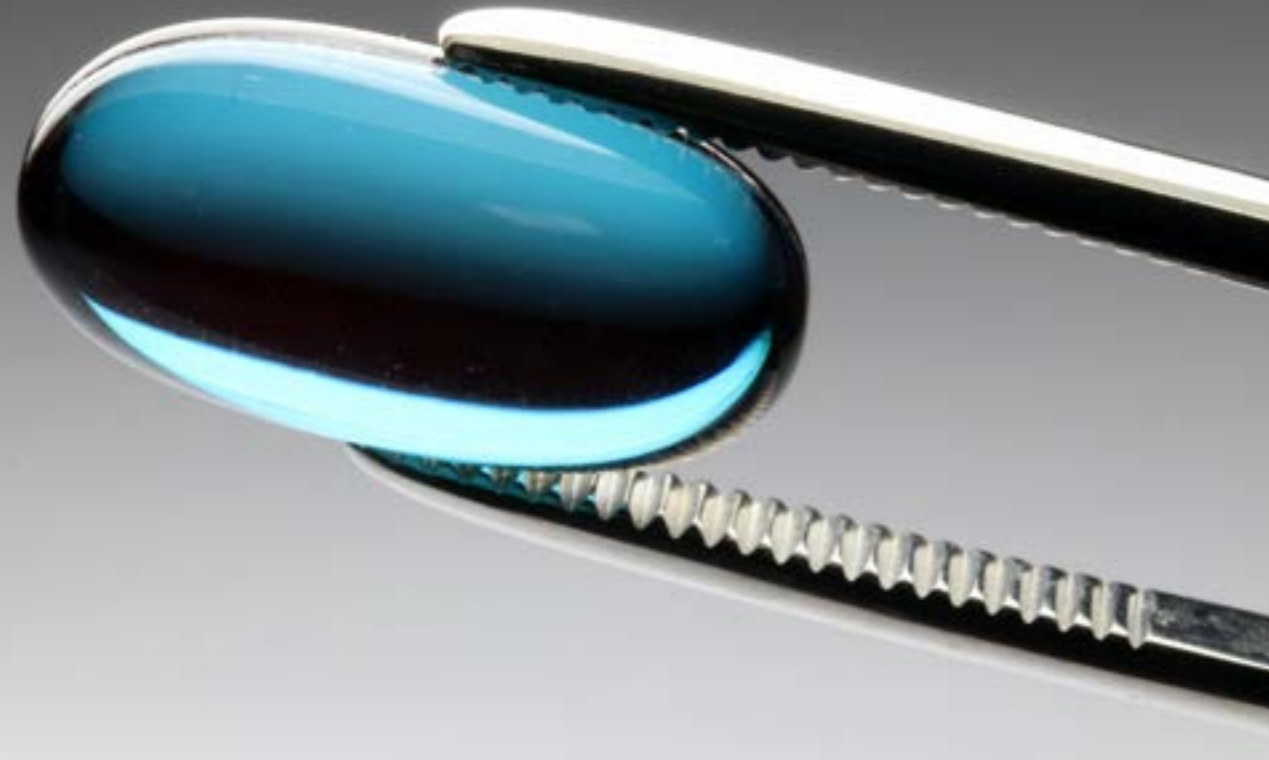
The coronavirus (COVID-19) disease is an outbreak of international concern, spreading widely from the first cases in China, to now being declared a global pandemic by the World Health Organisation.

Governments, organisations and individuals are adopting structured and precautionary actions to prevent and delay the spread of the infection, for which there is no current vaccine.

This document provides an overview of some of the key considerations that business and organisations may choose to consider, as they plan their risk management strategy in relation to COVID-19. This is not an exhaustive checklist, and is not a substitute for professional advice.

For advice specific to your own business, we recommend speaking to your local business adviser.

See www.moore-global.com for your nearest firm.





KEY RISK AREA: PEOPLE AND TEAMS

First and foremost for any organisation, is ensuring that people are not put at risk: employees, customers and suppliers. Many companies have adopted precautionary actions on travel and remote working to ensure teams are maintaining productivity and efficiency within safe working environments.

What actions can I take?

- Ensure all employees are informed of the key public health advice available
- Review home and remote working policies and deploy as necessary
- Review travel policy and consider restrictions
- Maintain travel records and close contact with employees travelling in affected areas
- Provide appropriate equipment and controls to protect against infection risk, including testing procedures
- Understand organisational resilience 'pinch points' if key personnel are unavailable or impacted
- Communicate effectively and show empathy

KEY RISK AREA: FUNDING AND CASHFLOW

The virus is restricting the ability of employees to travel and in many cases, to attend their normal places of work. This is already impacting sectors such as leisure, airlines and hospitality. More widely, this may lead to the temporary closure of operations, impacting supply chains and routes to market. The inability to produce and sell products and services may impact the revenues and servicing of finance in your own business, and that of your key suppliers and customers

What actions can I take?

- Understand, on a constant review basis, your cash position and ongoing funding obligations
- Dynamically assess key supplier and customer risk
- Stop, start, continue: what activity is business critical and what options do you have to preserve cash without impacting business sustainability?
- Engage with teams to identify efficiency opportunities
- Speak with lenders to help them understand your challenges and the options available

KEY RISK AREA: SUPPLY CHAIN

With movement of people and goods restricted, supply chain disruption is happening, with the situation likely to worsen.

What actions can I take?

- Evaluate overall risk to your supply chain by liaising with suppliers to understand their plans and business continuity measures
- Identify where possible, alternative suppliers as a contingency measure
- Determine whether stock levels should be increased as a precaution, being mindful of cashflow impacts
- Work with logistics providers to develop options for delivery of goods in the event of dislocation of standard routes

KEY RISK AREA: CONTRACTS

At a time when 'business as usual' isn't possible, ensuring a structured and consistent approach to contractual obligations can help to promote certainty, both for contracts your business has with suppliers, and also contracts your customers hold with your own organisation.

What actions can I take?

- Review your contract situation with legal advisers to understand your options
- Are there specific clauses relating to epidemic and infection, and how do these impact your contractual position?
- Understand the business and financial impact of inability to fulfil contractual obligations
- Review your insurance arrangements to determine what protection these offer in relation to coronavirus and business interruption



FINANCIAL REPORTING IMPLICATIONS

Moore Global has produced further guidance on the potential accounting and financial reporting implications of coronavirus that management should take into consideration when preparing the financial statements for the year ended 31 December 2019. Find it [here](#)

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