

WEBINAR COVID-19 AND MANAGING BUSINESS RISKS

Q&A – Friday 17 April 2020



Question 1

What is the most common reaction to COVID-19 management you are seeing or hearing organisations get wrong or could be doing better?

Answer

We are finding that a lot of organisations are struggling to comprehend the reality of the situation and the uncertainty in timeframe that these conditions will exist for. This has led to significant internal reluctance and resistance to the implementation of comprehensive response strategies that may require significant investment and that may deviate significantly from the organisations traditional way of doing business. Our recommendation is that given the continuously evolving nature of the COVID-19 situation, it is essential that organisations are agile and proactive in their regular assessment of the impact to their business and continuous evolution of their approach and response strategies.

Question 2

What are significant examples of unintended or unplanned consequences arising from organisations' response to COVID-19?

Answer

Some of the unintended consequences which we have seen occur as a result of implementing response strategies without proper consideration and regular and ongoing review include the following:

- Working from Home – Failure to identify and treat all productivity and efficiency losses (lack of performance monitoring) and a failure to identify and cater for the reality that while some can, not all employees have the infrastructure and space to work from home.
- Supply Chain Diversification – Diversifying the supply chain and entering into increased supplier agreements without proper consideration of the forecasted stock availability and customer demand over the next 6-12 months.

- Organisational Culture – Failure to put controls in place to monitor the behaviour and performance of employees without direct supervision which has led to varying degrees of misconduct such as using work time and resources for personal use such as Netflix and other streaming websites, online shopping and purchasing of unnecessary home office infrastructure.

Question 3

In relation to superannuation, what about the massive amounts of expenditure by all levels of government and also business on support schemes?

Answer

Yes, government support schemes and their disbursements is particularly vulnerable to the risks of fraud and corruption and we recommend should be the subject of even more stringent controls, and checks and balances.

Question 4

Do you have any advice on how businesses should link COVID-19 risks (register) to business strategic risks?

Answer

The development of a COVID-19 Risk Register or facilitation of a Risk Exposure Assessment is a critical component of the organisations response to the pandemic conditions. Businesses should link COVID-19 Risks by considering the impact that the risk event(s) will have on Strategic/Corporate Objectives. There may be numerous COVID-19 risks within your COVID-19 Risk Register, such as risk of an employee infection, which would usually remain an operational Health and Safety Risk depending on the criticality of that employee. However, risks associated to business continuity that may have an impact on the businesses ability to achieve its strategic objectives should exist separately within the Strategic Risk Register with appropriate reporting and Board monitoring. If these risks can be linked to existing Strategic Risks I'd recommend the Risk Description is changed to make it more specific to COVID-19 to ensure it receives the level of focus, and the likelihood of the risk event is increase given it is actually happening.

Question 5

One unintended consequence of work from home (WFH) is that "water cooler" chats and knowledge is falling away. Are tools like Microsoft teams being used to compensate for this (e.g. customer facing team channels)?

Answer

Yes, from a Human Resource / People and Culture perspective and just good work practices with keeping employees connected, a range of video conferencing means such as MS-Teams, Skype, Zoom, etc. should be used by employers to keep teams connected and operating as business as usual as possible. There are some very creative examples that are well publicised such as social team trivia meetings to end the working week.

Question 6

Our ICT area is concerned using Zoom – should we be?

Answer

Yes, there are some security weaknesses with Zoom that others media such as MS-Teams and Skype do not have. For example, the Australian Defence Force has banned the use of Zoom due to security weaknesses and vulnerabilities which cannot guarantee confidentiality of video conferences. Zoom, however, continues to be a good medium, such as for this RSM webinar, but if confidential meetings are to be held, another medium should be considered.

Question 7

Some private devices are being used to WFH. What are the strategies plan to back out of these devices when work is normalised?

Answer

You should consult your employer's IT area as each employer may be different in how they approach this.

Question 8

Is unrealistic workload and remote working the perfect storm for performance reporting fraud?

Answer

Yes, and as discussed briefly on our webinar, employers should be monitoring their employees such as seeing output from work tasked to manage performance.

Question 9

Is anything keeping you up at night – apart from your office contracting COVID-19?

Answer

All other business risks continue to be relevant in our COVID-19 WFH for most of us environment, albeit a different and temporary way of working on mass.



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