

Responding to the coronavirus (COVID-19)

Businesses need to remain agile and alert as coronavirus evolves. It is increasingly apparent that this is the biggest risk to the global economy since the 2008 financial crisis.

Key focus areas for businesses

Workforce

- Have measures been put in place to support hygiene and health for your employees, including restrictions to international travel and advice on attending client meetings, site visits and events?
- Do you have a clearly communicated policy on what your people should do if they are feeling unwell?
- What does it mean for colleagues and clients if you suspect a case of coronavirus in your workplace?
- Is your team able to work remotely if your office needs to close?
- Do you need to change or re-enforce your working policies?

Customers and suppliers

- Could there be unexpected consequences for your business from the coronavirus outbreak? How can you plan for this and will you have the working capital to restart your business when activity picks back up?
- Do you need to inform your clients and customers of any changes to your services? This could include different opening times and delays in deliveries or deadlines.
- Do you have plans in place to ensure regular and clear communication to clients about your policies and updates on services?
- Which customers will need extended terms from you and which suppliers might require different arrangements? Liaise with your suppliers to determine how they can support you.
- With international travel and export impacted by the coronavirus, have you assessed the strength of your supply chain and do you have alternatives in place if you need to source another provider?

Tax

- With coronavirus having an impact on your profits and cashflow, do you need extra time to pay any outstanding tax debt? Will you need to agree a bespoke Time To Pay arrangement with the government? Could employee absence cause you to miss a deadline to file?
- Will you be able to request a refund on additional statutory sick pay claimed by staff who are unable to work because of the virus? Can you get a loan or grant, or claim a business rates relief discount, to see you through the outbreak?

Audit

- What will the impact be on your business, including credit availability and cash flow, supply chain, access and impact on your customers, workforce availability and access to any government support? Given the disruption, are you able to acquire the evidence and speak to who you need to remotely?
- Will you be able to delay audit dates, or make arrangements for the effective audit using a virtual (off-site) approach? How will you reschedule, given the uncertainty of when the pandemic will end? Can deadlines be extended, particularly your filing arrangements?
- Is your audit team still able to obtain sufficient audit evidence with restrictions to your premises and staff? How will the audit of any international operations/subsidiaries (components) be delivered to meet the requirements of auditing standards and regulation?
- Are you able to bring stock takes forward to before travel bans are in place? Will management then be able to produce a roll-forward reconciliation and will we be able to audit that? How will this work?

Stakeholders

- Do you need to pro-actively check in with your stakeholders during these difficult periods? Communicate with your financiers, shareholders, customers and employees early and often.

Insurance

- Do you need to check your insurance coverage will protect you against losses from natural disasters?
- Could a successful claim be made against you under a business interruption or event cancellation policy?
- Do you need assistance in quantifying the financial impact of a disruption?

Cash flow and financing

- Are changes and delays to your service going to have an impact on your cash flow. Do you need to have discussions with clients or suppliers about renegotiating terms?
- Do you need to speak to your funding suppliers about additional funding and operational covenants for the next few months?
- What will things look like in six months' time?

Business continuity and risk

- Do you have sufficient resources to outlast the pandemic and do you have space to store them? Are you prepared for shortages and price volatility in product and goods not for resale?
- Do you have a formal remote-working policy in place and is it effective in preventing cyber security risks? Are your employees clear on what that policy is?
- Does your network have the capacity for your whole team to work from home at the same time? Do you know what the impact will be on your business if public schools close and your staff lose their childcare?
- Will your IT support staff, including third-party teams, be able to cope with large numbers of staff absences? Can other employees step in to support essential business processes?
- Are your staff aware of what occupational health services are available to them? Do you have the capital liquidity to pay out on any claimed benefits?
- Are your communication channels sufficient? Do your employees read and understand your messages?

Manage the impact of coronavirus on your business

As the situation changes businesses need to remain agile and alert. We can support you to manage many of the impacts of coronavirus on your business.

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