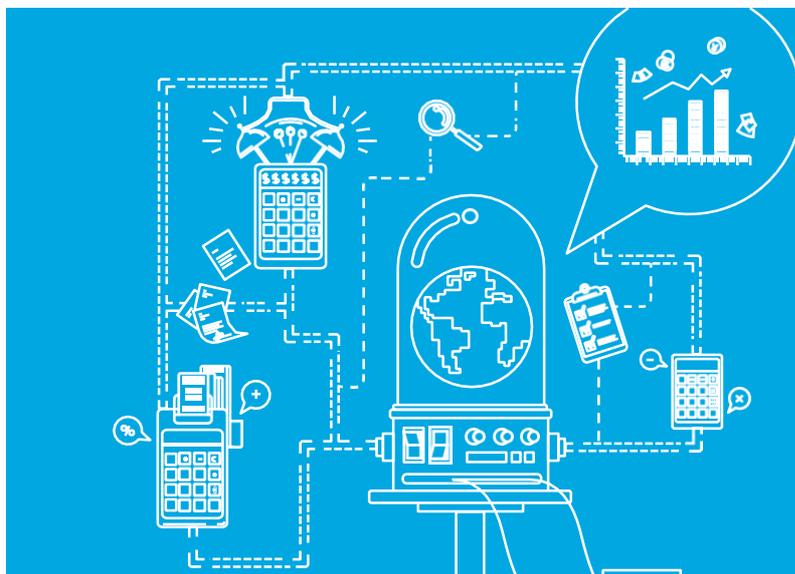


# Tips for managing risk through and after coronavirus



We have been having conversations with many organisations recently about coronavirus and its implications from a risk management perspective. This article explores some tips to help organisations with their risk management thinking as we head into the new normal.

Firstly, some context:

- most if not all organisations and individuals have been significantly affected by coronavirus, be this positively, negatively or both;
- the NHS are expecting coronavirus to impact all planning for the next two years;
- even when we come out of lock down it is unlikely that we shall return to how things were, there will be a 'new normal';
- the rapid emergence and spread of coronavirus is an exceptional event – and there will be other such events in the future, pandemic or not.

With the above in mind let's consider some risk management tips. In writing this we are not intending to provide a recap on all good risk management practices – which we assume are already being exercised; but what we see as coronavirus related, based on our experiences so far. These will not be the only tips I am sure.

## Do not throw governance out the window – it's a coronavirus necessity

We encountered a few organisations particularly at the start of the pandemic (and some continue to be) that took on a state of emergency and ended all board activity and interactions as well as allowing the Executive a greater decision-making power. However, whilst the physical aspect of direction and control may be changing (likely forever), the fundamentals of good governance should remain and be applied.

Without governance actually serving an effective purpose (be it within a coronavirus setting or not) then the management of risk can easily become a cosmetic exercise.

Those charged with governance should be in a position to monitor, guide and challenge (constructively) the progress of an organisation's response to the coronavirus event. Coronavirus event response monitoring and reporting ie progress, issues, innovations and key learning should be a standing agenda item for management.

### Tip

Adapt your governance arrangements to ensure that your Board is able to function effectively. This will allow it to set direction, measure performance, have oversight, undertake scrutiny and make decisions.

It is in exceptional circumstances such as this that an effective board comes to the fore.

## Coronavirus is not a risk in its own right – it currently affects everything

Some organisations now include coronavirus as a new risk in their strategic risk register. This suggests that the risk exists in isolation with a specific set of controls and actions, impacting one part of the business or objective. This is clearly not the case. Coronavirus adds a new dimension to an organisation's strategic risks and the subsequent effects on the organisation.

Organisations should look holistically at their strategic risk profile and understand the interdependencies. If we exclude coronavirus for the moment, it is clear that too many risks (risk registers) are reviewed on a transactional basis ie in parts but not as a whole.

### Tip

Review your strategic risks cause descriptions. This in turn will likely mean that you have to adapt your controls or create new actions in the context of the risk to ensure that it is being suitably managed.

## Coronavirus response – things do happen.

Response or contingency planning is a key feature in the management of risk. It is impossible to predict or foresee all future events, they happen unexpectedly, and organisations need to be able to suitably respond. By now most organisations will have some form of coronavirus response plan in hand to ensure the survival, recovery and continuity of operations.

The above goes for any kind of significant event to which an organisation is responding, not just the current coronavirus situation. Having an effective business continuity framework and plan (which is tested) is a must have for all organisations.

### Tip

All organisations should have a contingency framework within which it can operate when situations like coronavirus or similar arise.

To this end the World Economic Forum Global Risk report may be helpful. It is produced annually and focusses on what might be the world shapers in the next 12 months. A global pandemic has been in the report for a number of years. The point here is that an organisation may wish to consider how the realisation of such risks in the future might impact on its operations and / or existence ie what happens globally will eventually impact locally. Then consider the organisation contingency framework in that context.

## Don't manage the coronavirus response via spreadsheets

We have seen a number of behemoth spreadsheets created to record actions taken, as well as updates. This will create difficulties when considering a wide spread workforce.

Spreadsheets are currently being circulated to management and the Board as a form of progress report. A spreadsheet is not a reporting tool and is reminiscent of organisations that still put the whole of the risk register (in spreadsheet form) on the Board room table. In doing this, where do you start? It is also highly likely that it is already out of date by the time this happens.

## Contact:

Matt Humphrey, Risk Advisory Partner

[Matthew.Humphrey@rsmuk.com](mailto:Matthew.Humphrey@rsmuk.com)

[www.insight4grc.com](http://www.insight4grc.com)

### Tip

This is a fast-moving environment so equally make sure that the Board, management and staff have access to real time information eg updated actions, communications, evidence etc all in one place. This will provide all the main stakeholders visibility of the response and ensure a more coordinated and consistent approach to managing the unfolding situation.

Investing in a system, with workflow, to communicate and track actions, progress and updates and provide useful management information doesn't have to be expensive and will cut down on unnecessary and inefficient administration at a time when resources are tight. This will provide a good return on investment now as it will in the future. The old adage "what gets measured gets done" is as important now as anytime.

## Prepare to manage the change and the (opportunity) risks this presents - take advantage of the 'new normal'

What is a certainty is that as a result of coronavirus all organisations will be change.

All organisations will need to adjust to a new way of working and grasp the opportunities that this presents for increased operating efficiency and effectiveness. These will be wide ranging from where we work, how we work and how we engage with customers, suppliers and stakeholders.

In some cases this might necessitate a top to bottom organisation restructure to realise the benefits that this change can bring. This change process will likely last a period of time, it will not be quick.

### Tip:

Organisation leaders need to still be looking ahead, capturing the learning from this C-19 event, reviewing strategy and operating models, identifying emerging innovations and opportunities, listening to stakeholders. As important as it is to survive and bounce back, it is more important to bounce forward and be ready to capitalise on the "new normal". Having appropriate mechanisms in place to prepare, initiate and progress the forthcoming change in the future short, medium and longer term will be as crucial (if not more so) as the initial response to the emergence of C-19 to ensure sustainability and growth. The main risk here is that organisation leaders will not embrace the change that is ahead and take the advantage.

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