

Preparing for the new reality

Key considerations for Audit Committees

AC Forum

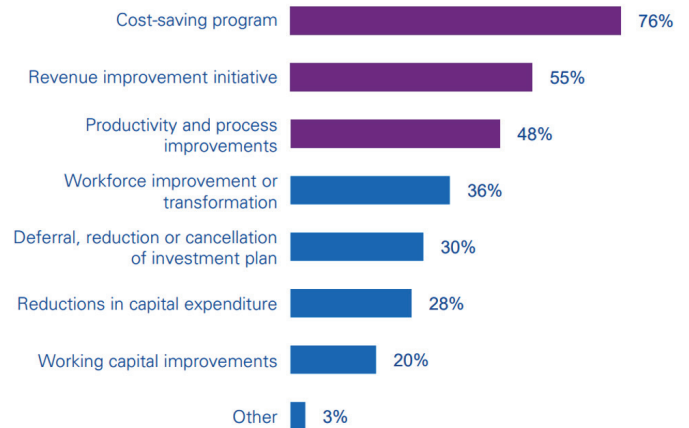
Four phases that organizations will move through as they respond to COVID-19:



Five top concerns and considerations

1. Financial stress testing
2. Liquidity, financing and financial reporting
3. Fraud risk, scams and cyber
4. Supply chain management
5. Customer experiences and behavior

Actions that the company is taking to counter the effects of a slowdown in economic growth



Key takeaways

1. Four phases that organizations will move through to respond to COVID-19; Reaction, Resilience, Recovery, New Reality.
2. Organizations need to consider the impact of each phase on their operating models.
3. Five top concerns and considerations; 1. Financial stress testing 2. Liquidity and financing 3. Fraud risk, scams and cyber 4. Supply chain management 5. Customer experiences and behavior.
4. Ensure that the key aspects of running a business are properly managed; people, premise, IT and supply chain.
5. Collect forward-looking information, develop multiple strategic scenarios and corresponding strategic responses.
6. Examples of COVID-19's impact to financial statements: impairment, going concern, financial ratio, fair value, lease contract, deferred tax.
7. How management navigate the organization's exposure to fraud risk, data loss breach and cyber attacks.
8. Understanding both upstream and downstream supply chain, address specific foundational questions, regardless of sector, market, channel, or customer segment.
9. Businesses are responding to unprecedented changes. Product lines, capacity, resources are being redirected towards online channels, and meeting rapidly changing customer behaviors.
10. Top three actions companies are taking to counter the effects of a slowdown in economic growth:
 1. Cost-saving program
 2. Revenue improvement
 3. Productivity and process improvements.