

COVID-19

# BUSINESS NAVIGATOR

SHIFT . STABILISE . STRATEGISE

MAY 2020



**HAMT**

AUDIT | TAX | ADVISORY

## ACTIONS TO BUSINESS

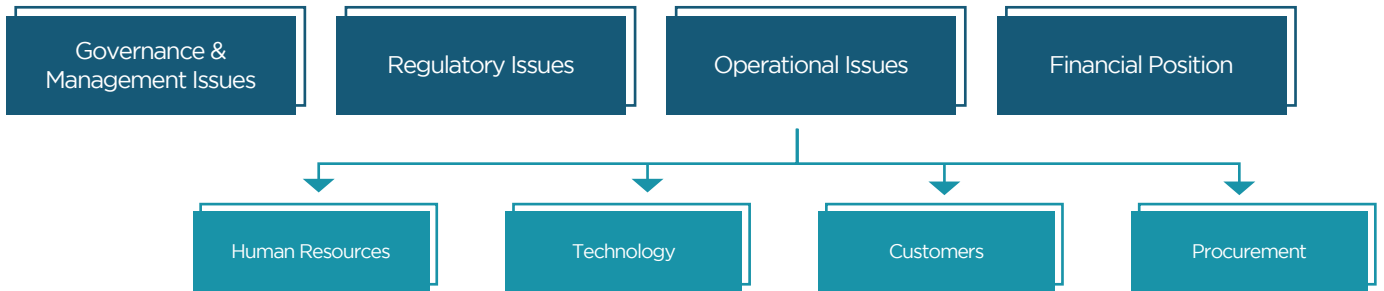
The pandemic has resulted in unpredictable changes across the whole world. COVID-19 caused significant challenges to people and business organizations around, and the disruption continues to evolve. Many of this has never been envisioned by the business owners.

The outcome of the crisis on business and economy is still to be realized, but businesses must prepare for and respond to this "new normal" to emerge stronger.

HLB HAMT is committed to working together with our clients; to minimize the risks presented by the pandemic. Our advisers and consultants are available to provide proper guidance to overcome the operational difficulties and develop strategies to combat the disruption.

# BUSINESS REVIEW PLAN

The COVID-19 has created widespread economic and workplace disruption, and businesses must look for ways to minimize risk, support staff and create future opportunities. The broad areas which every business owners need to consider are mentioned below along the detailed checklist. This will help business owners to identify and develop their response plan for COVID-19.



## 1. Governance and Management issues

		✓	✗
1	Are management level / board meetings conducted regularly?		
2	Are up to date weekly or daily financial and operating reports available?		
3	Whether clear lines of responsibility is in place for management and staff?		
4	Are staff/key stakeholders being informed of Business disruptions?		
5	Did you identify fraud risk areas in this scenario?		
6	Whether your business insurances are in proper order (premise, employee, vehicles, business disruption, stock , debtors, etc) ? any uninsured or underinsured catastrophes that you can foresee?		
7	Have you started developing a communication strategy with key stakeholders?		



## 2. Regulatory issues

		✓	✗
1	Whether the management is aware of the incentives offered by the local authorities?		
2	Whether the bank facilities are restructured or renegotiated ?		
3	Are VAT filing and FTA guidelines properly tracked?		
4	Whether ESR Compliances and other related announcements are taken care of ?		
5	Are filing of financial statements and extended deadlines well received ?		
6	Are you aware of regulatory renewals and related exemptions ?		

## 3. Operational Issues

Human Resource		✓	✗
1	Whether business crisis or continuity plan specifically dealing with human resource requirements and obligations is addressed ?		
2	Are existing HR policies reviewed specifically relating to remote working, Productivity monitoring and travel policies ?		
3	Have these policies been effectively communicated to employees and implemented? Are updates provided on an ongoing basis?		
4	Possible scenarios for temporary staff reduction and its impact on operations.		
5	Have you established procedures and a communication strategy in the event of infection of staff members?		
6	Do you have a communication strategy in the event of a death of an employee?		
7	Whether roles and responsibilities of conducting and supervising business operations are established in case of contingency?		
8	Are work permit renewals , cancellations, visa arrangements properly handled ?		
9	Are you aware of government and MOL guidance related to the benefits of managing employees during disruption?		
10	Have you analyzed the critical roles and key positions and determined a team of interim successors in case of force majeure?		
11	Did you consider outsourcing or temporary staffing for some functions?		

## 4. Operational Issues

Technology		✓	✗
1	Are your staff able to work remotely, (Can staff access your systems remotely)?		
2	Do staff have necessary working from home technology, being computer, headset, camera, keyboard, mouse, additional screen if necessary?		
3	Has your IT team tested security settings for remote connections and is the infrastructure in place to support the entire business working remotely?		
4	Does your business have enough software licenses for all staff to access programs remotely?		
5	What is your data policy and is it impacted by all employees working remotely? Will you be able to retrieve backups of data in the event an employee is quarantined?		
6	Are file management systems properly established?		
7	Whether your IT team is aware of and has addressed cyber security concerns?		
8	Have you considered Robotic Process Automation to optimize the workload, efficiency and accuracy?		
9	Have you considered any collaborative tools improving the communication between staffs and departments?		
10	Do you have secure Disaster recovery site? And have you recently tested it?		
Customers		✓	✗
1	If required, can you quickly change your delivery methods to customers?		
2	Have you considered what methods are being employed by your competitors (e.g. activities/delivery methods to reduce human contact)?		
3	Have you communicated with your customer base about COVID-19 and the steps you are taking to reduce the risk for customers, employees, suppliers?		
4	Have you conducted a contract review to identify key risks and the need for customers to declare “force majeure” under the existing contract?		
5	Did you consider this opportunity to revise unattractive terms in the contract?		
Suppliers		✓	✗
1	Have your supply chain being affected over the past 8 weeks?		
2	Are you still having issues obtaining supply from your key suppliers? Are they overseas?		
3	Do you have logistics/transport issues which delays delivery of goods?		
4	Are you concerned about the collapse of key suppliers in your supply chain? Do you have a plan to source alternate supply if required?		



## 5. Financial position and plan

		✓	✗
1	Have you undertaken a detailed review of your cost structure and considered the cost reduction measures that can be implemented?		
2	Have you undertaken a scenario analysis to assess these measures on an optimistic and pessimistic basis?		
3	Do you have a weekly cash flow forecast for the next 12 weeks and monthly cash flow forecast for the next 12 months?		
4	Did you take in to consideration of available sources of additional capital (if required) that may assist managing the critical period.		
5	Have you undertaken a banking covenant analysis?		
6	Are you concerned about the collectability of your debtors? Is your current cash flow position reliant on less than 5 major debtors? And whether you made plan for a worst case scenario		
7	Did you consider the position of your inventory including the items subject to expiry?		
8	Did you discuss the rental/finance lease payment deferral ?		
9	Do you have any non-core assets to realize that can assist the cash flow?		
10	Did you communicate with the suppliers for an extended credit period?		
11	Do you have a weekly MIS Reporting system in place (Debtors position , ageing, collection details, stock positions, invoicing, Profitability ,etc)		
12	Did you review all the critical ratios of the financial statements ?		
13	Is the commitment towards tax dues to the government is planned for the next 2 tax period? Example VAT, Excise and Customs		



## ABOUT HLB HAMT

HLB HAMT is a member firm of HLB International, the global advisory and accounting network. As a member of a leading global organization that has over 29,363 people in 795 offices over 158 countries, HLB HAMT has the scale to meet the clients' professional appetite and needs, always with the insight and dexterity that empowers one to stay a step ahead.

### Ranked 7th largest Audit and Assurance Firm in UAE

#### 20+ Years in UAE

More than two decades of experience in Audit, Advisory & Consulting

#### 150+ Countries

Presence in over 150 countries across 4 Continents

#### 225 Employees

A Value-driven team works efficiently and passionately to ensure customer delight

#### 7 Offices across UAE

Offices spread across all emirates of UAE

#### Services

Wide range of services

#### 3000+ Customers

Customer base from Large Corporates to SME's

## REACH TO OUR TEAM

At HLB Hamt, we have the expertise to tackle all business related issues and also dedicated departments and specialists to handle and assist clients' concerns;

So please contact the following members; our team for urgent assistance;



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