

# Getting Back to Business

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# Overview

- Following a crisis, it may be anything but “business as usual” for you, your employees, suppliers and customers.
- But the faster you can return to some level of normal operations (“the new normal”) the better for your organisation and the community as a whole.
- Now that your businesses are returning to something like normal operating levels, there are a number of key issues that need to be considered and addressed.

# Impact on the Internal Control Environment

- Incomplete Records and Reconstruction of your financial records
  - Have you been able to salvage your financial records – data and documents?
  - Where such records no longer exist or are incomplete what other sources can I go to?
  - What processes have management put in place to ensure completeness of reconstructed financial records?
- Heightened Fraud Risk
  - Have you assessed the risks? What extra controls have been put in place to mitigate any risks?
- Key Processes to Re-instate
  - Don't just do what you have always done.
  - What changes will help improve your business?

# Insurance Matters

- Understand your policy – what is covered? What your excess is and when does it apply? How the elements of loss will be valued?
- Assess strategy around desired insurance outcome.
- Are advanced funds available or required?
- Dealing with Loss adjuster
- What are your future insurance needs and what impact is current claim likely to have on those?
- What other forms of assistance are available?
- What is involvement of other government and regulatory bodies e.g. CERA.

# Business Recovery & Continuity Plan

- Premises – lease agreements and location
  - Is your property un-tenantable and what are options around lease?
  - What options do you have for temporary premises or longer term solution?
  - Consider location, plans related to city re-build or re-zoning and de-population effect in chosen areas.
- Identification of Core People, Core Skills and Key Processes
  - What are core skills and people with those skills to keep the business running?
  - What are back up plans for core people and skills?
  - Is it possible to operate/co-ordinate business through a “virtual office”?
  - What activities are key to ensure safe business continuity? Which activities can be stopped if not key?

# Business Recovery & Continuity Plan (continued)

- IT Data Storage and Protection
  - What data is being stored;
  - Storage locations and ease of accessibility.
- Market Re-analysis
  - How have your customers fared?
  - What about the competition?
- Supply Issues and Key Equipment
  - Shortage of Supplies and obligations under supply contracts;
  - Access to key equipment and back up plans
- Collaboration with Other Businesses
  - Partnerships, co-location or outsourcing.

# Financial Statement Issues

- Asset Impairments
  - Impaired or de-recognised;
  - Re-valued assets and Fair value;
  - Uncertainty as to whether repairable and extent of impairment.
- Insurance Recoveries
  - When to recognise and accounting treatment;
  - Material Damage, Business Interruption and other recoveries.
- Onerous Contracts
  - Lease arrangements;
  - Customer contracts.

# Financial Position and Funding

- Assessment of short term liquidity
  - Cash flow and profit and loss forecasts;
  - “what if” scenarios and sensitivity analysis.
- Funding Sources
  - Existing sources, your own resources, insurance, other investors, banks etc;
  - Review of existing debt financing arrangements.
- Financial Management
  - Controlling costs – discretionary expenditure, marketing & promotional activity, flexible staffing arrangements;
  - Reduce customer debt;
  - Control Stock;
  - Innovation around revenue streams.

# People

- Staff welfare
- Strategy around People Needs
  - Key skills and Resources;
  - Retention and Remuneration Strategy (obligation to pay staff);
  - Flexibility

# Statutory Obligations

- Assessment of Key Statutory Obligations and process to communicate and comply
  - IRD;
  - Other regulatory bodies, central and local government etc.

Thank you  
Questions?