

# RISK AND ADVISORY SERVICES: GOVERNANCE, RISK & COMPLIANCE

## RESILIENCE

In this phase, organisations are maintaining operations during 'lockdown' disruption using techniques that allow people, processes and information systems to adapt to changing patterns. This will include the impact of less people where staff have been furloughed and the need for non-business as usual activities. In this context, standards of governance, risk and control may not be adhered to.

Below are some key issues clients will be facing during this phase, along with areas where BDO can support and advise.

### 1. Governance

Changes in governance and decision making frameworks and delegated authority due to furloughed staff or need for more agile decision making

- ▶ Governance health checks including resilience of the board (e.g. skills gaps, quality of information)
- ▶ Assurance reviews to confirm that changes made have not led to control failures
- ▶ Assurance over quality, accuracy and relevance of MI presented to the Board

### 2. Impact on control environment

The impact of a move to remote working and staff furlough may mean internal controls have had to change, e.g. less segregation of duties.

- ▶ Identify any gaps in the control framework focusing on key risk areas e.g. financial control, data protection and privacy, supply chain
- ▶ Financial control audits examining key functional areas since lock down (purchase to pay; cash receipts; procurement)
- ▶ Fraud risk assessments
- ▶ Facilitating lessons learnt workshops

### 3. Risk Assessments

Businesses are undertaking risk assessments on different aspects of their business (e.g. H&S, workplace assessments, supply chain):

- ▶ Facilitate development or undertake independent review of risk assessments to ensure they are complete
- ▶ Use of BDO's Risk Assessment Tool to co-ordinate risk assessment activity to provide real time information on risks to be addressed in the resilience phase

### 4. IT security and business continuity

Increased level of cyber and IT security risks; gaps highlighted in business continuity plans

- ▶ Cyber security audits/health checks; phishing tests; staff training/surveys
- ▶ Develop/adapt, from lessons learned, recovery plans (i.e. BC/DR plans, BC/DR testing, DR strategy, IT/Business Resilience, Crisis Management)

### 5. Privacy and data protection

Remote working is leading to increased risk of data leakage; companies collecting additional personal data, concerns around how long this is kept and process for retention

- ▶ Privacy maturity assessments; ongoing/maintaining privacy compliance

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