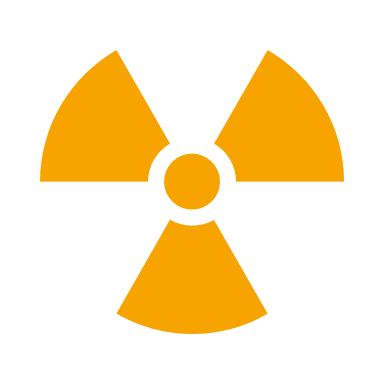
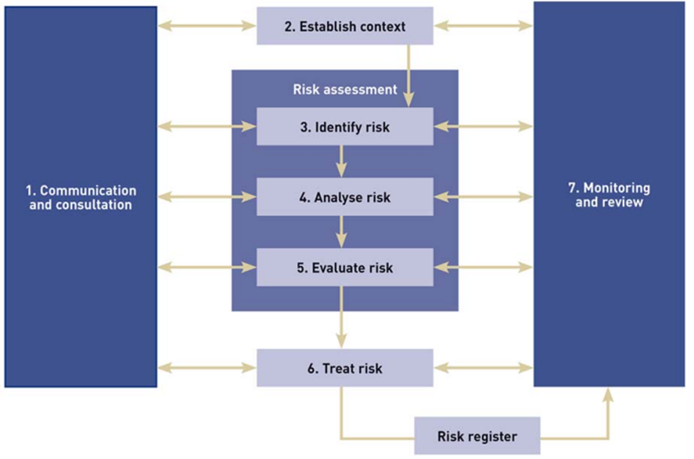
**Covid-19 (Corona Virus Risk Management Framework**



Risk management is being aware of all potential material risks within a business environment and having a plan, responsibilities for and accountability of those risks. During times of business shocks, such as medical epidemics, risk can be identified within a business in many areas. For instance, how will the event affect your customers, suppliers, employees, supply chains, access to capital and how long will the issue likely affect your business. These risk areas can be summarised below and not exhaustive:

|  |  |
| --- | --- |
| Risk Area | Example Risks |
| Financial risk | Liquidity, solvency, net margins, business health, poor returns on investment, financial structure imbalances, |
| Market risk | Market collapse, demand reductions |
| Reputational risk | Poor media publicity, news detrimental to your business, local area, staff |
| Operational risk | Supply chain collapse, employee shortages |
| People risk | Loss of employees through prolonged illness, safety and security of your place or work and minimising risk of infection, |

The risk management framework is summarised in the below diagram:



This document aims to provide some areas where all businesses can assess the common risks, and add to their individual risk matrix.

Below is a sample risk register. Use this to identify your business risks, as well as understand their impact and likelihood of occurring. Once complete, transfer these to the matrix below to understand what risks need managing more urgently. For a more detailed framework, check the ISSO 31000 ANZ standards for your business.

**Risk Assessment and Identification**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Risk #** | **Description** | **Prob %** | **Impact H/M/L** | **Impact** | **Treatment** | **Risk Classification – see matrix** |
| **People and workplace Risk** |  |  |  |  |  |  |
| P1 | **Internal Communications:** Will employee movement/interaction/communication | 80% | H | increase risk of infection to employee  Confusion increases tress, reduces working effectivness | Increase video meetings internally immediately and for the foreseeable future. Implement a work from home policy | Critical Risk |
| P2 | **Fixtures and fittings:** What types of fittings do you have and are they carrying risk (e.g. hard to clean soft furnishings)? |  |  |  |  |  |
| P3 | **Client and supplier meetings:** Will the number of staff interacting physically with customers increase your risk? (e.g. phone/web, reduce frontline staff) |  |  |  |  |  |
| P4 | **Physical location proximity**: How risky are your neighbours (e.g. next to a GP office/Pharmacy)? Can you reduce your exposure to risky neighbours? |  |  |  |  |  |
| P5 | **Environmental risk:** Is your workplace hygiene adequate to reduce risk (e.g. antibacterial wipes/hand wash, safety gear requirements)? |  |  |  |  |  |
| P6 | **Travel Risk:** Do you know understand travel plans of by staff (any high-risk travel)? |  |  |  |  |  |
| P7 |  |  |  |  |  |  |
| P8 |  |  |  |  |  |  |
| P9 |  |  |  |  |  |  |
| P10 |  |  |  |  |  |  |
| **Operational risk** |  |  |  |  |  |  |
| O1 | Can your business function if people cannot travel to your workplace? (work from home plans / key people plans ?) |  |  |  |  |  |
| O2 | Employee infection confirmed in business premises – shutdown needed (who/what/where/how long) |  |  |  |  |  |
| O3 | Communications in case of shutdown – employees / customers / suppliers |  |  |  |  |  |
| O4 | Following end of infection risk – What risks are inherent in reopening location? |  |  |  |  |  |
| O5 | Indirect shutdown risk – ie schools and loss of workers through indirect 3rd party closures |  |  |  |  |  |
| O6 | Worker’s rights and employer obligations for enforced shutdown |  |  |  |  |  |
| O7 | Security of your supply chains |  |  |  |  |  |
| O8 | Alternate suppliers and risk |  |  |  |  |  |
| O9 | Supply Chain lead time delays |  |  |  |  |  |
| O10 | Panic buying of supplies critical to your business |  |  |  |  |  |
| **Market Risk** |  |  |  |  |  |  |
| M1 | Is there a risk of market collapse? |  |  |  |  |  |
| M2 | What market slowdown foreseen? |  |  |  |  |  |
| M3 | Risk of enforced unit price changes? |  |  |  |  |  |
| M4 | Disrupting technologies – will new tech change your market and take advantage of Covid-19 |  |  |  |  |  |
| M5 | Change of consumer behavior long term risk |  |  |  |  |  |
| M6 |  |  |  |  |  |  |
| M7 |  |  |  |  |  |  |
| M8 |  |  |  |  |  |  |
| M9 |  |  |  |  |  |  |
| M10 |  |  |  |  |  |  |
| **Financial Risk** |  |  |  |  |  |  |
| F1 | Working capital risk – How long is your runway? |  |  |  |  |  |
| F2 | Access to short term working capital |  |  |  |  |  |
| F3 | Business model risk – do you have recurring and stable revenues v one off purchases? |  |  |  |  |  |
| F4 | Customer risk – are your customers likely to withstand the virus? |  |  |  |  |  |
| F5 | Flexibility of creditor payment terms and client receipt terms |  |  |  |  |  |
| F6 | Loans and long term finance – flexibility of terms / renegotiation possibilities |  |  |  |  |  |
| F7 | Inventory management risk – need to safeguard supplies v need to reduce capital tied up in stock |  |  |  |  |  |
| F8 | Workforce agreements risk – inflexible ? can you dictate a 3 or 4 day week and reduced working times to maintain working capital |  |  |  |  |  |
| F9 |  |  |  |  |  |  |
| F10 |  |  |  |  |  |  |
| **Reputational Risk** |  |  |  |  |  |  |
| R1 | High Profile Workplace infection |  |  |  |  |  |
| R2 | Client Communication Mishandling |  |  |  |  |  |
| R3 | Market collapse handling |  |  |  |  |  |
| R4 | Stock Market Communications |  |  |  |  |  |
| R5 | Reduced service client communications |  |  |  |  |  |
| R6 | Financial standing communications |  |  |  |  |  |
| R7 |  |  |  |  |  |  |
| R8 |  |  |  |  |  |  |
| R9 |  |  |  |  |  |  |
| R10 |  |  |  |  |  |  |
| **Other Non Classified Risks** |  |  |  |  |  |  |
| OTH1 |  |  |  |  |  |  |
| OTH2 |  |  |  |  |  |  |
| OTH3 |  |  |  |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Risk Management Matrix** | | | | | |
| **PROBABILITY** | | | | | |
| **IMPACT** | **5** | **0-50%** | **51-60%** | **61-70%** | **71-85%** | **86-100%** |
|  |  |  | **P1** |  |
| **4** |  |  |  |  |  |
| **3** |  |  |  |  |  |
| **2** |  |  |  |  |  |
| **1** |  |  |  |  |  |

**Medium Risk** **High Risk Critical Risk**

**Risk Treatment Plan**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Risk #** | **Description** | **Mitigation** | **Specific Actions Needed** | **Responsible Party** | **Date for completion** |
| **Critical Risks** |  |  |  |  |  |
| P1 | Risk of infection from internal communications | Reduce face to face meetings | Communication to all staf banning face to face meetings internallu |  |  |
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| **High risk** |  |  |  |  |  |
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| **Medium Risk** |  |  |  |  |  |
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|  |  |  |  |  |  |
| **Other risks that need planning** |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |