

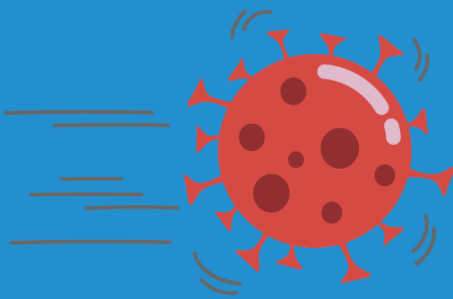


Reassessing your Risk Profile & Operational Resilience

Understanding the impact of Covid-19

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April 2020



Enterprise Resilience

Covid-19 is affecting every element of businesses, from the robustness of supply chains, to the stability of the financial markets, the availability of the labor force and the threat of rapidly waning customer demand.

In this unparalleled and unpredictable environment, the key to business survival – and to future success – is resilience throughout the entire enterprise. This includes financial resilience, operational resilience and commercial resilience.

These pillars are interdependent by multiple factors such as management information and stress testing, providing the bond that holds the enterprise together.



Financial resilience

The ability to withstand the financial impact on liquidity, income and assets.



Operational resilience

The ability to withstand operational shocks and continue to deliver your core business.



Commercial resilience

The ability to respond to changing market and consumer pressures.

Reassessing Your Risk Profile & Operational Resilience

While businesses have been preparing for many threats over the years, a pandemic has emerged as the greatest threat to the continuity and existence to many businesses. More than ever before, the maturity of an organization's operational resilience will define whether an organization will survive and recover post the pandemic.

Therefore, organizations need to reassess risk profile on account of changes in business environment and to predict the emerging new risks.

Under the new circumstances, which puts a severe stress on the operations, organisations will need to make important priority calls.

These priority calls will include deciding which products, services and processes should be kept operational. Businesses need to understand their prioritisation criteria, what constitutes the minimum viable business model, and develop a viable recovery strategy.

The overall change will have implications over staff; involve potentially difficult discussions with customers, suppliers and the potential closure of sites and facilities. The organisations might also have legal and regulatory implications.



Operational Resilience - Key Challenges & Concerns

Key challenges and concerns

How can we work through the future scenarios and make sure we can anticipate the implications?

How effective is our current business continuity arrangement?

How do we communicate decisions and underlying reasons to shareholders, financiers, regulators and staff?

How do we minimize reputational damage and financial losses?

What are the resourcing options including flexible working, contingent and managed service provision

How to manage high risk contracts with suppliers/ service providers

Can delivery teams adapt to new operating model and adapt to dynamic changes in delivery priorities?

What are the key processes which have been modified/ bye-passed due to business requirements? What are the compensating controls in place for those arrangements?

How to make employees connected, engaged and motivated in order continue working effectively?

Are the operations staff stretched with the reduced workforce and back office? Will it result in significant subsequent backlogs?

How secure are my remote working arrangements?

Industry Insights

Create two separate crisis management teams. Keep one team focused on strategic and longer term issues while other to manage day-to-day operations

Assess your third party risks, especially for those supporting your critical functions/ activities

Getting consistent internal and external communications to the clients and to the employees to install trust

Make sure your working from home arrangements are effective and secure

Ensure feedback and continuous improvement mechanisms are in place. You may find yourself working through similar issues on a repeated basis, as the crisis unfolds

Reevaluate your business continuity plan

Where appropriate, upskilling and redeploying teams to accommodate variable demand and shifts into new and critical products and services

Reassess your organization's risk profile on account of changes in business environment/ emerging new risks



How we can help

01

Assessing your Third Party Risks

Disruption on BAU could have a profound impact on third parties supporting critical functions. This calls for additional monitoring of third parties for smooth functioning of operations.

- Operational resiliency of third and fourth parties providing support for critical services
- Review of contract provisions (force majeure clauses)
- Transition risks (remote working and back to BAU)
- Onboarding/Off boarding risk (third party not knowing employees joining or leaving)
- Monitoring Financial risk (viability concern) of third parties
- SLA non compliance, review existing KPI & KRI and reporting mechanism in the new BAU

02

Assessing effectiveness and security over your “Work From Home” practices

A toolkit to define the baseline security controls specific to the deployment model for remote working keeping in view leading practices for secured and effective remote working.

- Work from home setup within organization is secure against various cyber related threats
- Assurance that the remote setup used by third parties is secure to deliver services
- Monitoring of the WFH activities
- Alignment with international security leading practices for working from home
- Improved cyber resilience and minimum disruption from cyber attacks

03

Assessing your Business Continuity Practices

Our solution offering comprises of a detailed evaluation of your current business continuity practices and its effectiveness against leading practices in line with ISO 22310.

- Coverage of BCM against the Organization’s key departments and key business activities
- Effectiveness of BCM and its testing in the Covid-19 scenario.
- Review of contract provisions with respect to BCM scenario
- Management oversight of BCM
- Employee awareness on BCM and response

04

Assessing your Organization’s Governance Framework & Changing Risk Profile

Evaluating the organization’s changing risk profile and an assessment on organization’s governance mechanism

- Reassessing the organization’s risk profile on account of changes in business environment/ emerging new risks
- An assessment of the organization’s governance set-up towards pandemic situation.
- Identification of controls across key process which have been modified/ bye-passed due to business requirements (such as DOA, hard copy approval, board approvals for budgets, credit limits, etc.)

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Contacts



Ali Abbas
Director, Risk Consulting
M: +(965) 5169 8765
E: aliabbas@kpmg.com



Mithun Kalappura
Manager, Risk Consulting
M: +(965) 9445 4264
E: Mkalappura@kpmg.Com



kpmg.com/socialmedia

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