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Coronavirus Pandemic and Business Disruption: The Consideration of Accounting Roles in Business Revival

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Abstract: *The coronavirus pandemic has brought major disruptions worldwide, with many businesses operations are curtailed or dramatically shifted, and supply chains are disrupted. The adverse financial effect of this ongoing crisis on businesses is huge. The aim of this paper is to formulate frameworks for the revival of business during and post crises times such as the COVID-19 pandemic and other major disasters. The paper also highlights practical procedures that will enable businesses to effectively respond to unexpected disruptions during a major outbreak from accounting and business management perspectives. The research is based on theoretical methodology through the analysis of several articles and survey results from different research, Big Four Accounting and Consulting companies' publications. Findings revealed that sound business continuity management, efficient liquidity management and prioritization of people safety and continuous engagement of relevant stakeholders during crisis times is key to build business resilience in preparation for the new normal and sustainability. Therefore, management should carefully consider the impact of the coronavirus on accounting, reporting and internal controls on business operations. Timely and meaningful disclosures about the potential effect on the financial position, performance and viability of the company, as well as measures taken to manage the risks, are important to regain trust.*

Keywords—Coronavirus (COVID-19), Business, Accounting and Disruption**.**

1.0 BACKGROUND OF THE STUDY

The coronavirus epidemic is principally a human catastrophe, affecting millions of people worldwide. The coronavirus 2019 (COVID-19) pandemic has brought major disruptions worldwide, with further impacts yet to be felt. For many businesses, operations are curtailed or dramatically shifted, and supply chains are disrupted (Charles, 2020). The COVID-19 pandemic has advanced rapidly since January 2020, with overwhelming consequences to people and businesses throughout the world. The Institute of Chartered Accountant of England and Wales (ICAEW, 2020) reports that COVID-19 is not just a world health emergency; it is an economic one too. Also in the view of the audit giant Ernst & Young (2020), businesses are dealing with lost revenue and disrupted supply chains and there has been significant volatility in financial markets. As the number of cases of the COVID-19 increases, the focus of companies must be on limiting the direct impact on employees and customers while also supporting efforts to limit the spread of the virus. The healthcare sector, airlines, travel firms, and supermarkets are experiencing the immediate impact, and face a huge challenge over the coming weeks to respond effectively to the emerging crisis.

The outbreak of COVID-19 since December 2019, we have seen the significant economic impact of the coronavirus on financial markets and vulnerable industries such as manufacturing, tourism, hospitality and travel. Travel and tourism account for 10% of the global GDP and 50 million jobs are at risk worldwide (John, 2020). Global tourism, travel and hospitality companies closing down affects SMEs globally. This, in turn, affects many people, typically the least well-paid and those self-employed or working in informal environments in the gig economy or in part-time work with zero-hours contracts (John, 2020).

1.1 STATEMENT OF THE PROBLEM

As at March, 2020 the International Labour Organization (ILO) projected that almost 25 million jobs could be lost worldwide as a result of COVID-19. Currently, It may be too early for traditional macroeconomic indicators to projects the magnitude of the economic loss owing to the novel COVID-19. The Economic Commission for Africa (ECA, 2020) warned the unfolding COVID-19 crisis could seriously dent Africa's already stagnant growth with oil exporting nations losing up to US$ $65 billion in revenues as crude oil prices continue to tumble. The ECA assessments revealed that COVID-19 could lead to Africa's export revenues from fuels falling at around US$ 101 billion in 2020.

Several measures have been taken by governments and businesses all over the world to prevent transmission of the virus which include limiting the movement of people, restricting flights and other travel, temporarily closing businesses and schools, and cancelling events. John Scott in his publication in the World Economic Forum (2020) opined that "as business close to help prevent transmission of COVID-19, financial concerns and job losses are one of the first human impacts of the virus. There are broad implications on accounting effects on business which includes: the ability to forecast cash flows and the related going concern assessment; debt covenants; hedging and financing; impairment of assets; onerous contracts; and recognition of revenues.

The COVID-19 is novelty pandemic that has brought the global economy to its knees. The magnitude of the economic loss owing to the novel coronavirus will runs into several trillion of Dollars in 2020 and beyond. The root cause of the 2020 global economic crisis was novel in modern history. The COVID-19 activated a new-fangled sort of economic crisis that was different from the past. To the best of our knowledge there is no systematic research that has looked into post COVID-19 impact on business activity particularly from accounting perspective. It was at this backdrop that the study explores the roles of accounting in responding to business disruption and revival during and post COVID-19 era respectively

1.2 RESEARCH QUESTIONS

The following research questions formed the focal points of this study.

a. How are businesses mitigating the impact of COVID-19 during and ensuring continuity after these turbulent times?
b. What are the strategies in managing business cash flow in times of uncertainty?
c. How does COVID-19 impact on accounting, reporting and internal controls of businesses?

1.3 RESEARCH OBJECTIVES

The research objective, the output of which is presented below, is to formulate frameworks for the revival of business during and post crises times such as the COVID-19 pandemic and other major disasters. The following specific objectives will be examined in the course of this study

i. To highlights key business mitigating frameworks to combat the impact of COVID-19 and ensure continuity during and after the pandemic respectively
ii. To formulate procedures for managing business cash flow in times of uncertainty
iii. To provide outlines on re-evaluation of accounting, reporting and internal controls practices of business during and post COVID-19 pandemic.

2.0 RESEARCH METHODOLOGY

This research is based on theoretical methodology. The study makes use of a qualitative research approach. There have been analysis of several articles and survey results from different research and consulting companies' publications. The literature is primarily sourced from Professional Accounting bodies, the Big4 publications, Business publications, Newspapers publications, Google Scholars etc.

3.0 COVID-19 BUSINESS CONTINUITY MANAGEMENT STRATEGY

The COVID-19 pandemic has caused companies across the globe to briefly close their doors in an effort to halt or slow down the spread of this disease. However, many organizations are able to continue doing business, although in a reduced volume, by having their staff work remotely while practicing social distancing or self-isolation. Kevin and Shubham, 2020 stated that it is increasingly clear our era will be defined by a fundamental schism: the period before COVID-19 and the new normal that will emerge in the post-viral era: the "next normal." In this unprecedented new reality, we will witness a dramatic restructuring of the economic and social order in which business and society have traditionally operated.

Outbreaks can pose a serious threat to Business Continuity Management (KPMG, 2020). Traditionally, enterprises have developed Business Continuity Management (BCM) plans to address cases where their buildings, systems, equipment, and products or services are somewhat damaged, with the assumption that at least some employees can return to their work site(s) after the incident. However, a major outbreak can limit their access to both employees and work sites, which are the two critical elements for business recovery. Due to the potential ripple effect that public health crises can cause, enterprises should pay special attention to their implications for BCM (KPMG, 2020). The following frameworks recommended by KPMG, EY, ICC and other authors will serves as a high-level guide to business continuity to assist your business in weathering COVID-19 pandemic:

3.1 Prioritize people safety and continuous engagement

According to EY, 2020, ensuring the safety and wellbeing of the employees in the workplace is essential. To ensure that employees are well-informed and protected, enterprises should ensure timely coordination and communication among their departments, and establish orderly, effective, transparent, and responsive communication mechanisms (KPMG, 2020). One of the adjustments companies have to make is to initiate or expand flexible work arrangements and other policies that allow people to work remotely and safely (EY, 2020). During an outbreak, human resources (HR) departments play key role in ensuring business continuity and help employees remain engaged as they navigate through the crisis by utilizing video conferencing, multi-party collaboration software, and online interactive business procedure management (KPMG, 2020).

3.2 Contingency plans and strategy remodel for business sustainability

During outbreak like the COVID-19 pandemic, businesses face major disruption to their business-as-usual operations and will experience underperformance throughout the duration of crisis. In order to mitigate these challenges, organizations should adopt the following;

a. Develop liquidity and cash management strategy: Effective cash management can help businesses optimize resources during a crisis and help them recover more quickly (KPMG, 2020). Companies will want to instil short-term cash flow monitoring discipline that allows them to predict cash flow pressures and intervene in a timely manner. They'll also want to maintain strict discipline on working capital, particularly around collecting receivables and managing inventory build-up (EY, 2020).
b. Risk Assessment: Risk management involves identifying events relevant to the organization's objectives (risks and opportunities), assessing them in terms of likelihood and magnitude of impact, determining a response strategy, and monitoring progress. By identifying and proactively addressing risks and opportunities, businesses protect and create value for their stakeholders (Chapman & Ward, 2011). Particular attention should be given to financial and operational risks. Companies will need to monitor direct cost escalations and their impact on overall product margins, intervening and renegotiating, where necessary (EY, 2020).
c. Alternative supply chain and flexible service delivery options: Companies that source parts or materials from suppliers in areas significantly impacted by COVID-19 will want to look for alternatives (EY, 2020). Establish a structured portfolio by targeting value-add services. Comprehensive service management considering dependencies between services and Manage the services along the complete lifecycle (Paul and Friedrich, 2013).
d. Evaluate budgets and business plans: Companies should stress-test financial plans for multiple scenarios to understand the potential impact on financial performance and assess how long the impact may continue. If the impact is material and former budget assumptions and business plans are no longer relevant, companies should revise them to remain agile. Where the business is significantly impacted, companies will need to consider minimum operating requirements, including key dependencies of workforce, vendors, location and technology (EY, 2020).

3.3 Monitor the situation to determine a change in severity

As the situation develops, you should monitor public health advice as well as government support programs for your business and employees. We adopt the International Chamber of Commerce (ICC) advice guidelines 2020;

I. Source information from reputable sources.
   On public health guidance, seek information from the World Health Organization and the national and subnational health services in your areas of operation.
II. Monitor local transportation restrictions
   As the situation develops, many governments are putting in place restrictions on movement that could have a direct impact on your business. Measures include restrictions on freight movement, the creation of travel windows and suspension of public transport services. Be sure to regularly check reputable sources for the latest information.
III. Monitor business continuity advice from local sources
   Ask your local government authority and chamber of commerce whether they are providing location specific COVID-19 business continuity advice. Sector-specific trade associations can also be great sources of information and advice on COVID-19 impacts.
IV. Monitor government support announcements
V. Many governments are setting up small business assistance schemes. Be sure to regularly check for updates from your local, state and national governments.

3.4 Effective communication with relevant stakeholders

Clear, transparent and timely communications are necessary when creating a platform to reshape the business and to secure ongoing support from customers, employees, suppliers, creditors, investors and regulatory authorities (EY, 2020). The following strategies should be followed as outline by EY, 2020

a. Keep customers apprised of impacts to product or service delivery.
b. Develop communications plans that balance caution with a business-as-usual mind-set
c. Stay in contact with suppliers regarding ability to deliver goods and services
d. Review terms and conditions on loans and contracts with creditors and investors
e. Consult legal teams for advice on potential liabilities with governments or regulators

4.0 MANAGING BUSINESS CASH FLOW IN TIMES OF UNCERTAINTY

Fazzari, et.al, 1988, in their paper 'Financing Constraints and Corporate Investment' shows that firms use more of internal financing when they are faced with constrained external financing. With the increasing in cash flow uncertainty, the risk of external capital providers increases. Then, these firms have higher cost of capital that lead to more financially constrain to the extent that they must decrease investment due to limited capital (Minton & Schrand, 1999). The unique measures in response to the COVID-19 pandemic are impacting every business in intricate ways. Given the importance of cash flow to business sustainability in this period, businesses should develop a robust treasury plan for efficient cash management as part of their overall business risk and continuity plans. Maintaining adequate cash flow to sustain successful operations is likely to elevate as a significant risk for many companies. In light of the above, the following frameworks recommended by Deloitte and other authors will help to managing business cash flow in times of uncertainty:

4.1 Emphasis on Cash Flow and Cash-to-Cash conversion cycle

In uncertain times, cash remain the only oxygen businesses required to survive, hence there is the need to keep operations going to ensure financial stability. Under normal business conditions, companies primarily focus on the profit and losses–growing the top line while managing the bottom line (Deloitte, 2020). Just as it is possible for unprofitable companies to generate positive cash flow, it is possible for profitable companies to face cash shortfalls. In the current abnormal business conditions, smart companies are shifting their focus from the income statement to the balance sheet as profitability becomes irrelevant if you run out of cash (Deloitte, 2020). As a business owner, there is the need to create a cash flow projection and ensure regular update is critical. A 13-week cash flow projection (or one calendar quarter) allows management and other users to pinpoint the major short-term sources and uses of company cash and to gauge the relative size and timing of potential cash shortfalls

4.2 Re-examine variable costs

Cash flow statements describe changes in the amount of cash and cash equivalents a business has on hand. This is not the same as profit or loss, which is detailed on a company's income statement. The bottom line of the cash flow statement is simply the net change in the money available to pay the firm's bills. Items on the cash flow statement fall into three general areas: operating activities, investment activities and financial activities. Expenses on a cash flow statement are items that decrease the amount of cash available (Adkins, 2020).

Cash flow is subject to variables that impact a business's financial health. Deloitte, 2020 opined that reducing your variable costs is often a quicker way to immediately reduce your cash outflows than focusing on your fixed costs. Of course, there are the typical variable cost-reduction levers, such as imposing travel bans and non-essential meeting restrictions (which might already be in place as a way to manage employee safety), imposing hiring freezes, and placing restrictions on discretionary spend like entertainment and training. When labour is a significant cost line in your business, consider avenues that might help reduce spend to avoid getting to a situation where layoffs are required. For example, look for opportunities to reduce contract labour and re-distribute work to your permanent workforce. Encourage employees to take available leave balances to reduce liabilities on the balance sheet. And, if necessary, consider offering voluntary, or even involuntary, leave without pay to preserve cash (Deloitte, 2020).

4.3 Revisit capital investment plans

With cash flow forecasts in mind, consider what's really necessary for the near term. What capital investments can be postponed until the situation improves? What capital investments should be reconsidered? What capital investments are required to position for the rebound and for creating competitive advantage? (Deloitte, 2020).

4.4 Focus on inventory management and expedite receivables

According to Deloitte, 2020 companies are at risk of experiencing supply chain disruptions due to shortages in raw material and component parts. Inventory safety stock parameters will most likely need to be updated to reflect the increased demand and supply-side volatility, which will have the effect of increasing overall inventory levels, assuming that's possible. At the same time, businesses will be thinking about securing additional inventory, or strategic stock, as a further buffer against the potential impact of a prolonged or much broader supply chain disruption. Also at the same time, from a cash flow perspective, companies may be considering actions to reduce finished goods inventories, especially in perishable products, where waste is an important consideration and markets remain difficult to access.

Balancing the demands for more buffer inventory and managing cash flow may not be as easy as it sounds. That's why it's important to improve the rigor of your collection processes. Focus on customer-specific payment performance and identify companies that may be changing their payment practices. Also, get the basics right, such as timely and accurate invoicing. Any errors in your billing process can lead to costly delays in receiving payment (Deloitte, 2020).

4.5 Audit payables and receivables transactions

Deloitte, 2020 recommended that ensuring paying the right amount for the goods and services you procure and collecting the right amount for goods and services you sell. On the payables side, double-check that you're not overpaying duties and taxes on purchases, especially as alternate international supply locations are used to keep supply chains running. Also, if you have the cash flow to support it, make sure you're taking full advantage of all available discounts. On the receivables side, look for situations where unearned discounts were applied and then aggressively pursue the proper payment.

4.6 Understanding business interruption insurance

According to investopedia, 2020, business interruption insurance is insurance coverage that replaces business income lost in a disaster. Companies should understand existing business insurance policies and the coverage they have in the event of a significant business disruption. Such insurance generally covers losses arising from disruptions to a business's customers or suppliers (Deloitte, 2020).Most business insurance cover the following items according to investopedia, 2020:

a) Profits: Based on prior months' performance, a policy will provide reimbursement for profits that would have been earned had the event not occurred.
b) Fixed costs: These can include operating expenses and other incurred costs of doing business.
c) Temporary location: Some policies cover the costs involved with moving to and operating from a temporary business location.
d) Commission and training cost: In the wake of a business interruption event, a company will often need to replace machinery and retrain personnel on how to use the new machinery. Business interruption insurance may cover these costs.
e) Civil authority ingress/egress: A business interruption event may result in government-mandated closure of business premises that directly cause financial loss. Examples include forced closures because of government-issued curfews or street closures related to a covered event.
f) Employee wages: Coverage of wages is essential if a business does not want to lose employees while shutting down. This coverage can help a business owner make payroll when they cannot operate.
g) Taxes: Businesses are still required to pay taxes, even when disaster hits. Tax coverage will ensure a business can pay taxes on time and avoid penalties.
h) Loan payments: Loan payments are often due monthly. Business Interruption coverage can help a business make those payments even when they are not generating income.

5.0 COVID-19 IMPACTS ON ACCOUNTING, REPORTING AND INTERNAL CONTROLS ON BUSINESS.

The impact of COVID-19's vary by economic sector, all impacted businesses will want to re-evaluate their accounting, reporting and disclosure, as well as Internal Controls Over Financial Reporting (ICOFR) practices, in light of the pandemic. The implications, according to Price Water house Cooper (PWC, 2020) for financial statements include not only the measurement of assets and liabilities but also disclosure and possibly an entity's ability to continue as a going concern.

The following recommended frameworks by PWC, EY and other authors to combat the impact of COVID-19 potential accounting and audit on business:

5.1 Going concern and liquidity

Here the survival of organization would be the most concerned by management during crisis like the rampaging COVID-19 pandemic. The key to any organization survival is the cash flow ability to survive the next six to 12 months. EY, 2020 opined that when preparing financial statements, management has to make an assessment of a company's ability to continue as a going concern, and whether the going concern assumption is appropriate. In the current circumstances, management will need to consider the existing and anticipated effects of the COVID-19 outbreak on activities in its assessment (EY, 2020). Given the unpredictability of the potential impact, there may be material uncertainties that cast doubt on the company's ability to operate under the going concern basis. If the company, nevertheless, prepares the financial statements under this assumption, it must disclose these uncertainties (EY, 2020). The (PWC, 2020) recommended that business entities will need to disclose any changes in their financial risks (such as credit risk, liquidity risk, currency risk and other price risk) or in their objectives, policies and processes for managing those risks. In particular, additional disclosures about liquidity risk might be needed where the virus has affected an entity's normal levels of cash inflows from operations or its ability to access cash in other ways, such as from factoring receivables or supplier finance (PWC, 2020).

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5.2 Asset Impairment assessments

An asset is impaired when a company is not able to recover its carrying value, either by using it or selling it (EY, 2020). Many businesses will have to consider the potential impairment of non-financial assets. International Accounting Standard (IAS) 36 requires goodwill and indefinite-lived intangible assets to be tested for impairment at a minimum every year, and other non-financial assets whenever there is an indicator those assets might be impaired (PWC, 2020). Temporarily ceasing operations or suffering an immediate decline in demand or prices and profitability are clearly events that might indicate impairment. However, reduced economic activity and lower revenues are likely to affect almost any entity and might also indicate impairment (PWC, 2020). When assessing impairment, companies are required to determine the recoverable amounts of the assets. This calculation requires an estimate of expected future cash flows and expectations about variations in cash flows (EY, 2020).

a) **Impairment of goodwill** — IAS 36 requires goodwill and indefinite-lived intangible assets to be tested for impairment at a minimum every year, and other non-financial assets whenever there is an indicator those assets might be impaired(PWC, 2020). Assess whether direct or indirect implications of COVID-19 have led to a goodwill impairment. Future cash flow expectations may be affected by COVID-19 if its disruptive effects are sustained. If they are, this would requires companies, in the light of this so-called “triggering event,” to evaluate whether a reporting unit’s fair value has degraded below its carrying amount. (Charles, 2020).
b) **Impairment of Property, plant and equipment (long-lived assets)**: The pandemic might mean property, plant and equipment is under-utilized or not utilized for a period, or that capital projects are suspended. IAS 16, ‘Property, plant and equipment’, requires depreciation to continue to be charged in the income statement while an asset is temporarily idle. IAS 23, ‘Borrowing costs’, requires the capitalization of interest to be suspended when development of an asset is suspended (PWC, 2020). Also, there is the need to consider whether any current, significant devaluation of long-lived assets is recoverable. Indicators, such as significant drops in price, sustained adverse changes in use or utility of an asset, negative changes in business climate or downward economic pressures, should prompt impairment assessments of long-lived assets.
c) **Inventories**: It might be necessary to write-down inventories to net realizable value (PWC, 2020). If the company has suffered revenue declines or disrupted supply chains, consider adjusting the carrying value of inventory downward (Charles, 2020). Losses may result from exceeding expiration or sell-by dates, physical deterioration, obsolescence, or price changes. IAS 2, ‘Inventories’, requires fixed production overheads to be included in the cost of inventory based on normal production capacity. Entities should assess the significance of any write-downs and whether they require disclosure in accordance with IAS 2 (PWC, 2020).
d) **Impairment of receivables, loans and investments** — Review investment value for potential impairment (Charles, 2020). This may be indicated with debt or equity issuers affected by COVID-19. Entities are required to disclose changes in business or economic circumstances that affect the fair value of investment entities or investments in associates and joint ventures carried at fair value under IFRS 9(PWC, 2020).

5.3 Fair value measurement

Fair values are likely to be significantly impacted as a result of COVID-19. The International Financial Reporting Standards (IFRS) number 13 Fair Value Measurement (FVM) required companies to measure some of their assets and liabilities at fair value. The Standard defines fair value on the basis of an 'exit price' notion and uses a 'fair value hierarchy', which results in a market-based, rather than entity specific, measurement (IFRS, 2011). When making assessments and judgments for measuring fair value, the company should consider the conditions and corresponding assumptions that were known or knowable to market participants (EY, 2020).

The fair value measurement impact would depend on the evaluation of whether the severity of the outbreak at the reporting date would have impacted participants’ valuation assumptions at that time. Companies will also need to consider making related disclosures that could reasonably be expected to influence decisions that the users of general-purpose financial statements would make on the basis of those financial statements (EY, 2020).

5.4 Contract and Debt modifications

Companies affected by the COVID-19 outbreak may experience cash flow challenges as a result of disrupted operations, higher operating costs or lost revenues. They may need to obtain additional financing, amend the terms of debt agreements or obtain waivers if they no longer satisfy debt covenants. In such cases, they will need to consider whether any changes to existing contractual arrangements represent a substantial modification or potentially a contract extinguishment (EY, 2020). Where an entity has any financial instruments that are within the scope of IFRS 9’s expected credit loss (ECL) model, management should consider the impact of COVID-19 on the ECL. Instruments to be considered include loans, trade and other receivables, debt instruments not measured at fair value through profit or loss, contract assets, lease receivables, financial guarantees and loan commitments (PWC, 2020).

5.5 Revenue recognition

An entity's sales and revenue might decline as a result of the reduced economic activity following the steps taken to control the virus. This is accounted for when it happens. However, there could also be an effect on the assumptions made by management in measuring the revenue from goods or services already delivered and, in particular, on the measurement of variable consideration (PWC, 2020). IFRS 15, 'Revenue from contracts with customers', requires variable consideration to be recognized only when it is highly probable that amounts recognized will not be reversed when the uncertainty is resolved (IFRS, 2011).

5.6 Government assistance

Governments around the world have reacted to the impact of COVID-19 with a variety of measures, including tax rebates and holidays and, in some cases, specific support for businesses, in order that those businesses are able to support their customers. Management should consider whether this type of assistance received from a government meets the definition of a government grant in IAS 20, 'Government grants'. The guidance in IAS 20 should be applied to a government grant (PWC, 2020).

5.7 Re-evaluation of Internal Control Considerations

These include internal control environment changes, like remote working arrangements and the potential inherent risk of controls not being executed as designed. Assess controls' operating effectiveness, including management review controls. Re-evaluate control procedures' effectiveness due to remote work, facility closure, illness and other gaps. Identify alternative controls or other mitigation when existing controls can't be performed (Charles, 2020).

6.0 CONCLUSIONS

The frameworks presented in this research paper are oriented to promoting, disseminating and improving the theoretical understanding of how to build business agility during and post crisis period like the COVID-19 pandemic and other disasters. The complexity of elements and their relationships in the degrees of preparedness across companies, the further potential for disruption, and the value of being better prepared for future crises was examined. It also highlights procedure that will enable businesses to effectively respond to unexpected disruptions during a major outbreak from accounting and business management perspectives. The authors welcome further elaboration or clarification. It is expected that the Covid-19 crisis will change our businesses and society in important ways. We are living in unprecedented times on a global scale.

The adverse financial effect of this ongoing crisis on businesses has already started to show itself. There is no perfect formula to predict the future of each sector; business leaders can picture the next day based on each company's unique characteristics. Businesses should improve their vigor towards external shocks by developing a strong service business. A strong service business is necessary to decrease risks of fluctuating income streams from product business and build resilience in preparation for the new normal. Timely and meaningful disclosures about the potential effect on the financial position, performance and viability of the company, as well as measures taken to manage the risks, are important to regain trust. Financial reporting can play an important part in the communication between companies and their stakeholders in this turbulent period. Therefore, business agility has a crucial role here; being able to consistently evaluate all necessary information to adapt to current effects is essential. So is foreseeing trends of the next day, month, quarter, or year. After meeting with your financial team, shareholders, and vendors, and with a clear overview of the company's financial status – including current cash flow, credit situation, revenue and expenses, etc. – on hand, here is what you can do to reinforce agility.

7.0 RECOMMENDATIONS

Based on the above, the following recommendations were made;

1) Managing liquidity is the top priority for keeping companies solvent, and liquidity analysis and planning will help in managing the business through crisis. This can include developing a dynamic, rolling 13-week short term cash flow forecast that can be tested against best- and worst-case scenarios.

2) Emphasis on value economic resilience over efficiency. Businesses need to check availability across the supply chain and realistically assess demand given how much of the world economy is slowing, but they also need to put a plan in place to reactivate orders once restrictions are lifted and demand begins to grow

3) People are a company's greatest asset. Leadership will need to communicate clearly and regularly what steps they are taking to secure their employees.

4) Sound Business Continuity Management (BCM) will ensure that disruption to business activity is minimized and resilience enhanced. When business begin to experience disruption, it is essential that you adapt across all operations to ensure business continuity. As the situation develops, you should monitor public health advice as well as government support programs for your business and employees.

5) Management should carefully consider the impact of the COVID-19 on accounting, reporting and internal controls on business operations. Continuous disclosure requirements should be considered and forward looking statements made at previous results presentations may need to be reconsidered.

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