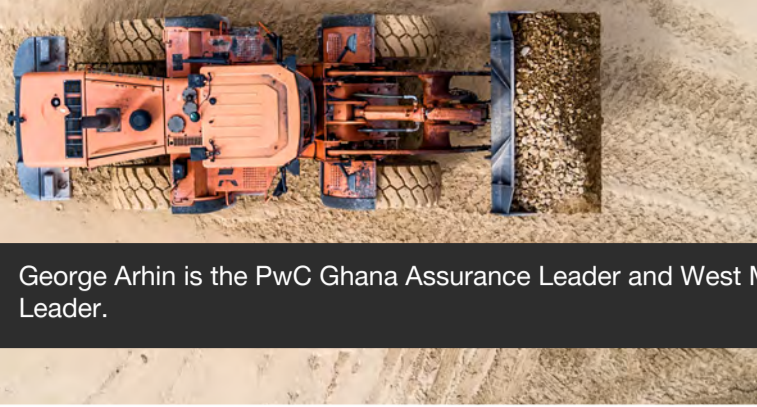




George Arhin is the PwC Ghana Assurance Leader and West Market Area Mining Leader.



In Part 1 of this article, I discussed the implications of COVID-19 in terms of its impact on business operations, as well as business continuity and cybersecurity considerations. I also discussed the accounting and financial reporting implications of COVID-19.

In the concluding part of the article, I will proffer some suggestions on how to adapt to these evolving situations.

Impact of COVID-19 on Mining, Oil & Gas Companies

Adapting to evolving situations - what businesses can do

• Review workforce locations and travel

The priority is to establish exactly where staff are and how many workers are in affected or vulnerable territories. Do any need to be repatriated? Or have they asked to work from home? Giving how global some oil and gas and mining operations are, upcoming travel plans will need to be reviewed, rescheduled, or cancelled.

Entities also should plan for policies in the event of lengthy school closures — what will the policy be for working parents?

Organisations should also consider how they will deal with issues around workers who are forced to stay in foreign countries longer than expected thereby becoming subject to taxation, of those countries.

• Revisit Crisis and business continuity plans

Every well-run business should have a crisis or business continuity plan, and many are expected to have a specific pandemic plan. But nothing tests theory quite like reality.

If large numbers of your employees must work remotely for some time, is there enough technology bandwidth to cope? Will your operations be impacted if outsourced or if offshore workforces are unable to come to work? What is the procedure for updating travel advice and policy? How will communication with employees be managed? How will data flow during this crisis?

• Evaluate the supply chain

A clear understanding of your supply chain will help to expose any potential vulnerabilities. This means beginning with the most critical products and looking well beyond first and second-tier suppliers, right down to the raw materials.

If your products contain a component from an isolated or locked down country, is there a secondary supply? Contingency plans can run into difficulty quickly if the virus continues to spread.

• Identify potential points of failure

Workers with the right skills who could step into critical roles if needed. Adjust work schedules in order to reduce the level of human interaction, such as staggered shifts or remote working.

• Get communication right

Leadership should be seen as a source of truth: consistency and accuracy of messaging is the key, as is reassurance from the top of the organization; the workforce will need to know that their welfare is paramount.

• Use scenario analysis

Scenario planning (best and worst-case scenarios) as a critical tool to test preparedness, assess long-term impact on working capital.

In the context of extreme volatility of oil prices, consider scenarios with critical sensitivities such as demand/supply changes, e.g. changing demand if more of the population is spending more time at home rather than at work.

• Don't lose sight of other risks

The many other risks that businesses face is not diminished by the pandemic.

Potential global recession along with financial effects of coronavirus on operations, future periods, liquidity and capital resources are the topmost concerns of CFOs as per the PwC Covid-19 CFO pulse survey.

Cybersecurity risk should also be top of the agenda for companies as technology serves as critical infrastructure in their operations.

Want to know more? Let's talk.

You can contact me by sending an email to george.arhin@pwc.com and copying in Richard at richard.ansong@pwc.com

How PwC can help?



Crisis Management Assistance

We can assist your business come up with crisis management policies to mitigate the impact of the pandemic on the key stakeholders below:

- Senior management and those charged with governance
- Employees
- Vendors
- Customers



Deals

- Adjust/restructure asset portfolios
- Merge to survive
- Go private
- Alternative sources of capital (e.g. Private Equity)
- Impairments/divestitures



Accounting Management Assistance

- Consultation on reporting disclosures



Cyber

- Implications of remote work force



Aggressive Cost Reductions

- Immediate cost take-outs
- Cost and revenue management through hedging
- Supply chain resilience assessment and triage



Restructure/Bankruptcy

- Options assessment
- Restructuring assistance
- Bankruptcy assistance
- Fresh start support



Tax

- Tax modelling
- Tax implications of supply chain disruption
- Tax implications with displaced workers
- Tax compliance



Managed Services

- Enable continued digitization with reduced cost

Business School – Resuming soon:

Please contact Salome Aku Duse on 0302 761500 or via email to gh_businessschool@pwc.com

About PwC

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 155 countries with over 327,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com