



## **COVID-19 Pandemic: Lessons Learned and the Illusion of Preparedness**

July 21, 2020

- The session will last about 45 minutes, with 15 minutes for Q & A
- Our audience will be muted during the session
- Please send your questions in using the **Q&A box** located at the bottom of your screen
- For up-to-date and educational information on how the COVID-19 pandemic is impacting businesses, please visit [Wolf's COVID-19 Resource Center](#)

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**Wolf & Co. established**

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**Professionals**



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- Boston, MA
- Springfield, MA
- Albany, NY
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**Services Offered in:**

- Audit
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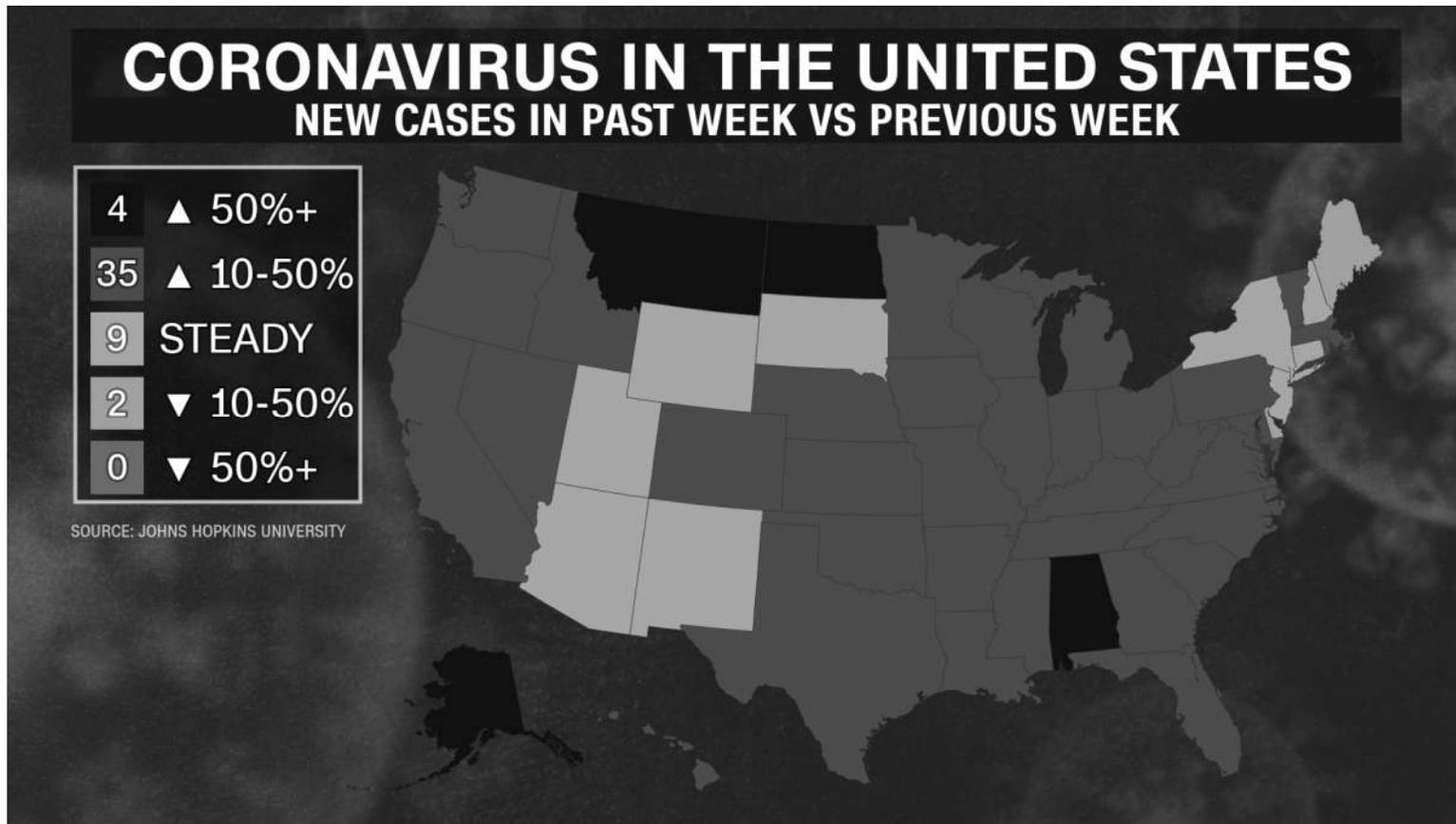
**TRACY L. HALL, MBCP**  
IT Assurance Senior Manager  
Wolf & Company, P.C  
Direct: (413) 726-6884  
[thall@wolfandco.com](mailto:thall@wolfandco.com)



**RENEE E. BROADBENT, MBA,  
HITRUST CCSFP, CHQP**  
Senior Manager, vCISO Services  
Wolf & Company, P.C  
Direct: (617) 428-5459  
[rbroadbent@wolfandco.com](mailto:rbroadbent@wolfandco.com)

- Current Situation
- Pandemic Planning: Lessons Learned & Planning Gaps
- The “Illusion” of Traditional Preparedness
- Cybersecurity threats
- Looking Ahead
- Q&A







# **Pandemic Planning: Lessons Learned & Planning Gaps**

- Historically, best practice stated that pandemic planning should prepare for approximately 50% of workforce to be unavailable
- Unique requirements not previously considered:
  - Stay-at-home orders
  - Number of people working remotely
  - Daycare closures
  - Distanced learning practices
  - State quarantine requirements limiting travel
  - Layoffs/furloughs

Why is your **Business Impact Analysis (BIA)** crucial to identifying your recovery priorities?

## Your **BIA** can help:

- Prioritize functions based on impact to the organization
  - Financial
  - Operational
  - Customer/Reputational
  - Legal
  - Data
- Monitor impacts to the organization against your risk appetite
- Identify critical resources necessary to continue functions
  - People
  - Hardware
  - Applications/Systems
  - Forms/Reports
  - Non-technology supplies
  - Vendor dependencies
- Determine which functions can be suspended in order to allocate resources to those that are more critical

What have we experienced during COVID-19 that we hadn't considered in previous pandemic planning?

LESSONS  
LEARNED



## Employees Working Remotely

- Technology requirements are being pushed to their limits
  - We're realizing full capacity remote working may not have been tested before
    - Hardware requirements
    - Bandwidth
    - Collaboration tools
- Remote working impacts certain functions and testing workarounds
  - Example: mail vs. electronic messaging/Automated Clearing House (ACH) for invoicing and payments
- Flexible working schedules are needed to accommodate those caring for families and navigating children's school protocols

## Communications (Internal and External)

- Frequency
  - Figure out how often to update employees without overwhelming them
- Employee education and comfort
  - Ensure they feel supported by management
  - Make sure they're receiving appropriate and necessary information
- Reputational considerations
  - Correct level of detail

## Real-Time Incident Management

- Governance
  - Create a coordination team with a regular meeting frequency
    - Frequency may change based on current factors
- Virtual command center
- Creation of department plans specific to pandemic
  - Requirement for more granular planning
  - Extended remote working
  - Adjusted strategies for increasing impacts to customer/members/counterparts
- Incident tracking
  - Challenges encountered
  - Follow-up/action items/person(s) responsible

## Outsourcing/Third-Party Providers

- Revisit critical vendor due diligence:
  - What are their backup plans?
  - How can you create workarounds if staffing shortages impact the products and/or services they supply?
  - Tracking third parties geographically
    - How are they affected by pandemic “hot spots”?
  - Understand how interruptions may impact contractual obligations and service-level agreements (SLAs)

## Human Resources

- Monitor local, state, and federal health organization guidelines
  - Ensure proper communication and distribution of this information to employees
- Monitor and communicate new regulations/laws/mandates
  - Medical leave
  - Unemployment
  - Healthcare
- Track for illness and demand sick employees stay home while maintaining confidentiality
- Work with legal counsel to understand legal boundaries (travel bans, etc.)
- Remind staff of the Employee Assistance Program (EAP)

## Cybersecurity

- Attackers never let a tragedy go to waste
  - Increased phishing and malware campaigns
  - Security monitoring is likely not at 100% strength
- Rapid deployments of new technologies
  - New VPNs
  - New software
    - Have you performed adequate due diligence on your teleconferencing software and Telehealth software?

## Cybersecurity

- Endpoint controls
  - Identify gaps in your controls due to the increase in staff working remotely
  - Do any tools rely on a VPN to report issues to IT?
- Distracted employees
  - Working from a busy home may lead to accidental disclosures (sending files to the wrong person)
  - When distracted, it's easier to miss the tell-tale signs of a phishing attack

## Compliance

- Most regulatory requirements don't account for "Acts of God"
- A major compliance concern lies in the employees' ability to keep up with existing and new responsibilities
- Coronavirus Aid, Relief, and Economic Security (CARES) Act, U.S. Small Business Administration (SBA)
  - COVID-19 issues are stretching and reallocating personnel time and resources
  - Lending:
    - Impact of switching to all electronic processes
    - Waiving late fees
    - Loan Modifications/forbearances
    - Paycheck Protection Program (PPP)

### **Economic Impact\***

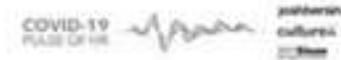
- Hospitals face catastrophic financial challenges in light of the COVID-19 pandemic. The AHA estimates a total four-month financial impact of \$202.6 billion in losses for America's hospitals and health systems, or an average of \$50.7 billion per month.
- AHA also found the increased demand for PPE equipment during those four months will cost hospitals \$2.4 billion, or approximately \$600 million per month, in part due to increased supply costs.
- The AHA estimated hospital will spend \$2.2 billion on helping frontline health care workers with housing, transportation, childcare, and Covid-19 treatment throughout the U.S. epidemic.

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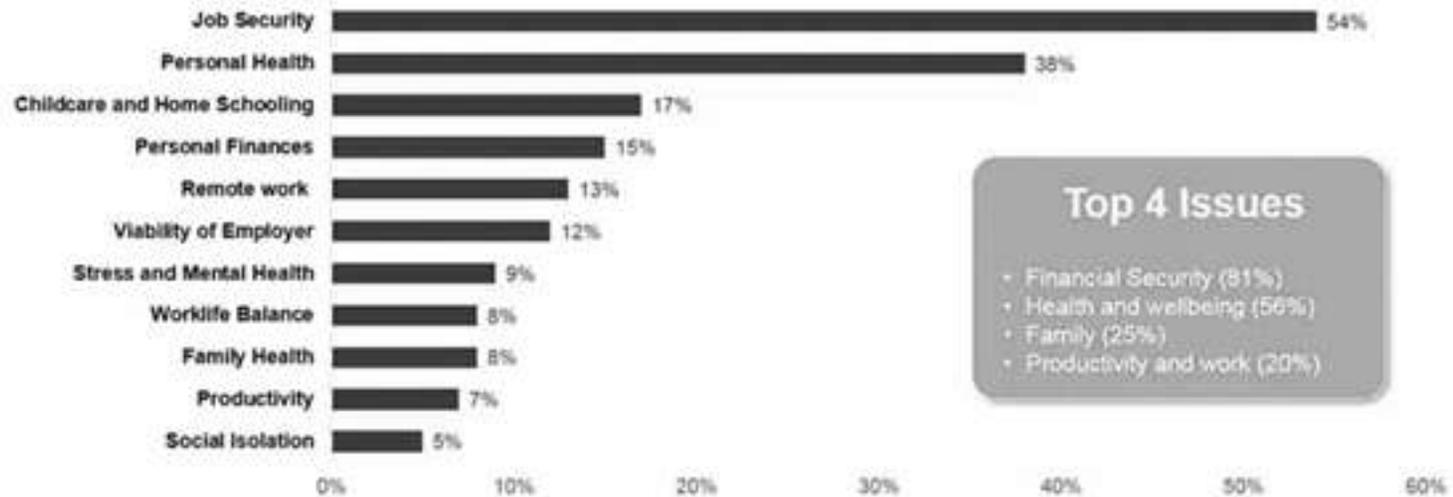
\* <https://www.aha.org/guidesreports>

What result have these issues had on productivity?

## Top Issues On Employees' Minds



Top Issues Week or April 7, 2020



\* Information acquired from Thrive Global

## Resource Constraints

- Technology
  - Addressing remote work capabilities
  - Assisting with remote or automated customer/member requirements
- PTO Management
  - How to manage or avoid clusters of employees taking time off

## Supply Chain

- Although organizations consider supply chain issues in planning, this situation brought real challenges with lack of products or services due to shipping issues/delays
  - Hardware
  - Supplies
    - Medical & Non-Medical
  - PPE Equipment



# **An Illusion of Preparedness**

- × “Our plan works just fine!”
- × “We’re living and breathing BCP!”
- × “We don’t have to test this year!”



- The situation is incredibly unique
- Not one of high probability
- Statistically speaking, “disasters” are location specific
  - This scenario considers that our facilities and data centers are unaffected (even if we can’t necessarily access the facilities to full capacity)
  - Technologies are up-and-running and haven’t been affected by a “disaster”
- Customers/members have a higher level of tolerance in situations that also directly affect them

- We had warning of the onset
- Although minimal, we had time to prepare and adjust
- The rate of change was still more gradual than things would be in other types of “smoking hole” disasters
- We had the benefit of learning from our peers and vendors about their response efforts and communications
- We still need to be sure we’re considering scenarios that would impact our facilities and data centers
  - People can’t work from home if there are widespread power issues



# Looking Ahead

### Operational Adjustments

- Some people have worked their entire lives in an office and have had to adjust to new ways of conducting business
- May need to consider new, flexible working strategies to accommodate personal challenges
- Keep people productive
  - Obtain proper technology
  - Keep a routine
  - Create a constant “work space”
  - Take breaks, go for a walk

## **Mental Health**

- Isolation, fear, worry
- Days seeming “longer”
- Workload may have increased
  - Juggling additional work and personal responsibilities
- Unemployed individuals dealing with financial and self-purpose issues
- Increased reports of anxiety and depression
- Shortages of anti-anxiety and anti-depressant medications

### **Travel Considerations**

- Conferences
- Learning & development
- Vendor visits
- Risk assess on a case-by-case basis
  - Geography
  - Travel method
  - Overnight stay
  - Safety plan for the location or venue

### **Communication to Employees**

- Ongoing and at the right frequency
- Updates to changes in policies and safety protocols
- Consider that all employees may not feel the same about the changes

Wolf continues to monitor the situation closely, and we're doing all we can to ensure the safety of our clients, employees, and families.

We're here to help you with real-time updates, insights, and educational materials to help your organization minimize the outbreak's impact, and to help you stay prepared for the future. Please check back often, as we update content regularly.







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