

Catalyst For Change? FERC Demands “Culture of Compliance”

The importance of developing and maintaining an effective, enterprise wide compliance program has never been more critical. FERC commissioners and staff have made it clear that they want companies to adopt a “culture of compliance,” there remains some ambiguity over what that means from a practical perspective. Whether a company is a gas or power asset owner, operator, or user, regulators expect – if not require – the responsible entity to have enterprise wide processes with common practices and systems in place to support the demonstration of compliance. With the rising stakes and continued uncertainty around how the various CIP Standard Requirements will be enforced, companies cannot afford to address the regulatory risks with inconsistent and uncommon approaches to regulatory compliance.

FERC has been pushing companies across the industry to adopt a culture of compliance. Evidence of what is at risk relating to regulatory compliance can be seen in the different enforcement actions that FERC took in 2007. Upon review of the individual cases, most interesting are the insights that can be derived from the control activities underlying the incidents. The root causes stemmed from a variety of factors, including poor procedure enforcement, absence of new policies, disregard for internal reporting requirements, weak control functions, and lack of employee training. Each of these factors suggests the need for developing and deploying an *integrated and enterprise wide compliance management approach* that can give management confidence that the enterprise as a whole is taking common and consistent steps to address the NERC CIP Regulatory Standards.

Compliant Solutions has developed a *Cyber Security Compliance Management Plan* to help utilities navigate through the complex process of meeting the requirements of NERC CIP Regulatory Standards and establishing the basis for a Cyber Security Compliance Management Plan.

DON'T WAIT! Contact Compliant Solutions today to learn more about how we can assist you. Visit us at criticalcyberassets.com or contact Sherri Palmer directly at 248.981.5248.

