Addressing compliance program challenges for energy organizations amidst the COVID-19 outbreak

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Overview

As the impact of the COVID-19 crisis continues to disrupt business as usual, many energy organizations are realizing they may not be fully prepared in the face of the current environment. Businesses are looking to mitigate the potential impact of this crisis and work toward recovery, relying on compliance officers to create a new response playbook to help their companies combat volatility and adapt with agility. There are also a host of immediate concerns related to risk and compliance that professionals across energy organizations should consider.
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**Communication:** There is immense demand for and value in driving thoughtful, cohesive communication across the organization.

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| Connectivity among leadership and staff is imperative, especially as challenges arise in a remote operating environment. An effective command center can seize the narrative at the outset, being transparent about current realities, while also painting a compelling picture of the future that inspires others to persevere. | • Apply consistent messaging across all organizational channels to include compliance considerations as companies seek to elevate the support, health, and safety of their communities.  
• Leverage innovative teaming and virtual communication tools for engagement and collaboration to help teams productively communicate, reinvigorating areas of focus around newfound instances of remote operational risks.  
• Pursue innovative strategies and relationships that align with organizational values. Businesses must work with customers and suppliers in a creative way that may deviate from core strategies, but it still must be done in the spirit of integrity. | The way senior leadership communicates in an evolving workplace and global environments will set the standard for a commitment to compliance across the organization. |

**Reassess and reevaluate:** It is imperative that leaders maintain a culture of integrity and compliance during this time. In a time of confusion and disruption, businesses must reinforce their institutional commitments to upholding secure and standard compliance programs and processes.

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| While immediate concerns relate to employee health and safety, the outbreak and resulting business disruption may increase the likelihood for potential bribery, corruption, and misconduct. | • Pay close attention to the infrastructure, governance, processes, and systems in place that could potentially be compromised in a virtual operating environment.  
• Evaluate additional safeguards to build a long-term strategy with lessons learned from today’s challenges.  
• Consider the tools, controls, and business practices in use in normal circumstances and adapt them to the new environment with agility and integrity.  
• Investigate challenges that might put pressure on professionals to compromise standards in challenging times, especially ones where individual and corporate survival is on the line. | It is essential to find ways to reinforce the integrity and compliance dialogue, to highlight considerations and innovation for the compliance function in the COVID era, and to forge a path forward with resiliency. |

**Maintain integrity though proactive response:** The North American Electric Reliability Corp. (NERC) and the Federal Energy Regulatory Commission announced that they would suspend certain rules for the short term so utilities can focus their resources on keeping people safe and the lights on during this unprecedented health emergency. The potential for relaxed oversight and enforcement of risk and compliance standards and activities should not be a signal that companies can miss the mark on diligent, good-business activities for managing risk. This is a time of opportunity, not for negligence.

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| It’s important to think about other ways that you can support the business and fill gaps while there are multitudes of strategic considerations and challenges facing energy organizations. While the relaxed rules have been offered to energy companies as a temporary leniency, it is critical to note that regulators will continue to expect that institutions will not be lax with compliance obligations. | • Stress-test the models in place; compliance leaders may uncover opportunities for fraud, abuse, or other risks taking place. Proactively upholding and reinventing compliance standards can set energy organizations up to better respond to future crises.  
• Evaluating how compliance teams can continue to add value and focus their attention on risks that matter most will elevate the role of risk and compliance professionals by showing an awareness of the plight of operational and commercial business needs.  
• Consider stabilizing enhancements to the foundational, core aspects of compliance programs through newfound learnings. For example, energy companies might consider this opportunity to reach out to vendors to strategize continuous conflicts management protocol now that there may be unexpected supplier constraints. | Proactively upholding integrity, discipline, and structure can enable risk and compliance leaders to manage new risks, decreasing the likelihood of a potential fallout later. Acknowledging the opportunity to improve protocols, embrace technology, and evolve for the future can position companies to achieve long-term successes. |
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This is a time for you to look ahead to the future

It’s important to remember that the industry has faced crises in the past and will likely face others in the future. The broader focus continues to be on business continuity plans and the well-being of our communities, but risk and compliance leaders have the opportunity to overcome the disorientation of new challenges, help ensure standards are upheld, and proactively seek opportunities to improve protocols and business operations moving forward. Deloitte is actively monitoring the responses of state energy regulatory commissions to COVID-19. We encourage you to review Deloitte perspectives and insights and reach out to our team of compliance professionals for assistance in navigating these unprecedented times.

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Endnote


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