

# Memorandum

**To:** Audit Committee of the ISO Board of Governors

**From:** Nancy Saracino, Chief Compliance Officer

**Date:** December 11, 2013

**Re:** **Compliance update**

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***This memorandum does not require Committee action.***

The *Compliance and Ethics Program Policy* provides that the Chief Compliance Officer will administer the ISO's compliance program "under the oversight of the Audit Committee of the Board of Governors," and with support from Executive Management and the Compliance and Ethics Committee. This is the report of the Chief Compliance Officer and the Compliance and Ethics Committee about progress on significant compliance initiatives since the last report on September 5, 2013.

## *Records management*

Since the release of a new records retention schedule in January, the records management program team has reviewed and processed approximately 1900 boxes of paper records from the ISO's offsite storage facility, representing approximately 60% of the total. Those records have been classified according to their retention period or applicable litigation hold, and disposed of when appropriate. While these efforts continue, the records management team will also focus in the near term on reducing the volume of stored email by implementing new tools and training for capturing emails of long-term value and automating the cleanup of email messages that have only transitory value.

## *Refinement of Reliability Standards Agreements*

The ISO is party to several "Reliability Standards Agreements," which allocate between the ISO and its transmission owners responsibility for compliance with certain mandatory reliability standards. The ISO's Corporate Compliance Group has been working with transmission owners to revise these agreements to assign responsibility more clearly in light of accumulated experience with the standards. To that end, the ISO held its third face-to-face meeting with transmission owners on December 12. The ISO is aiming to have new agreements in place early in 2014.

### *Compliance training highlights*

All ISO employees recently completed annual compliance training, which covered the code of conduct, prevention of sexual harassment and workplace violence, records management and responding to external inquiries, among other things. For the third year, this training was delivered over the corporate intranet, which enables each employee to complete the training at the most effective time for him or her. The ISO is also conducting training for managers and leads relating to the prevention of sexual harassment and will complete this training by the end of the year.

In addition, this year the ISO developed new training on NERC standards related to protection of critical infrastructure, which it provided to new employees and contractors in affected areas.