

*The New Voluntary Private Sector
Preparedness Certification Program:
PS-Prep*



InterCEP

The International Center for Enterprise Preparedness

World's First Academic Research
Center Dedicated to Private Sector
Risk Management & Resilience

- **What to Do**: Best practices, especially as reflected in consensus-based standards
- **Why to Do It**: Internal impacts and external incentives.
- **How to Measure It**: Assessment to specific criteria.



Core Strategy: *Collaborative Problem Solving*

Overview

- What is the new law?
- What is “certification?”
 - Standards
 - Assessment Process
- What is the current status of program and likely trajectory?
- What value in supply chain management?

What is PS-Prep?

- Provides a method to independently certify the emergency preparedness of an organization.
- Addresses operational risk including disaster/emergency management and business continuity programs
- Focuses on businesses and other private sector organizations.
- Provides for an independent third party certification
- Voluntary (market-driven) in nature
- Private sector-led and administered outside of government
- Utilizes existing private sector standards and processes.

The Opportunity to Begin to Link Multiple Benefits

**Minimizing Impact of
Business Disruptions**

Insurance Benefits

Rating Agency
Acknowledgement

Mitigating Legal
Liability Post-Event

Supply Chain
Resiliency Assessment

Corporate Governance

Reputational and other
Benefits



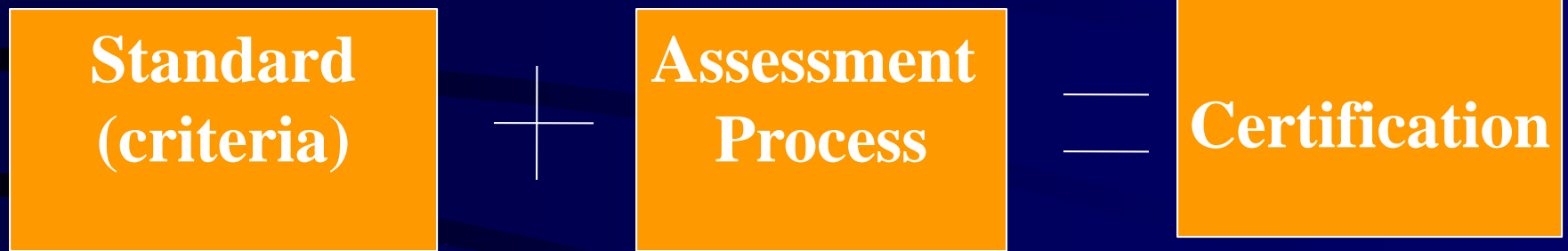
What Are DHS Responsibilities?

While the PS-Prep accreditation and certification processes will be administered by the private sector, the U.S.

Department of Homeland Security is responsible for:

1. Selecting standards for use in the program
2. Supporting the development of the certification process by designating and funding the accrediting body
3. Developing and communicating the business case for the program to the private sector.

What is Certification?



What is a true Standard?

- Developed by Standards Developing Organization
 - Often key industry/trade /professional associations
- Wide representation on core body
 - Large “technical committee” of stakeholders
 - Develops “straw man” for wider comment
- Open and transparent process
 - Comments requested from entire community. All must be responded to with action taken & justification.
 - Ultimately ratified by a large representative body
- Ongoing maintenance (evergreen) to reflect evolving practice
 - Frequent revision cycle
- Two types: Prescriptive vs. Performance

The Three Standards

- [ASIS SPC.1-2009](#) Organizational Resilience: Security Preparedness, and Continuity Management Systems – the American Society for Industrial Security.
- [British Standard 25999-2:2007](#) Business Continuity Management – the British Standards Institution.
- [National Fire Protection Association 1600:2007](#) Standard on Disaster/Emergency Management and Business Continuity Programs – the National Fire Protection Association.

What is a Preparedness Certification?

- Uses an accepted assessment process to acknowledge that the current state of organization's emergency preparedness meets an identified standard(s).
- Assessment may be conducted by
 - The organization itself (first party)
 - A related organization (second party)
 - A qualified and independent third party (this is the focus of the DHS-sponsored program)

New Program will Likely Build on Established Voluntary Processes

- We envision a structured process very similar to other voluntary certifications
 - Quality Management – ISO 9001
 - Environmental Management – ISO 14001
- Proven process for private sector certification
- Could allow for efficient “piggy-backing” on existing audits

Typical Certification Steps

1. Internal review of current state of preparedness (gap analysis) against selected standard
2. Supplement and/or improve existing preparedness processes, plans & activities to meet intent of desired standard(s)
3. Decide on first, second or third party verification if appropriate contract with accredited certification body
4. On-going surveillance and continual improvement processes

Current Status & History

- Framework of standards has been developed by RIMS, DRII, ASIS, NFPA – The Sloan Report
- Accrediting body has been designated and funded
- Substantial outreach by DHS and ANAB to businesses and the wider private sector
- Private sector advisory council has been established by accrediting body
- Target Criteria to be used in designating preparedness standards have been announced in Federal Register.

Current Status

- Active participation by DHS and ANAB in National Roundtables focused on linking market-based incentives for resilience to the PS-Prep Program
- Oct. 16: Federal Register Notice
 - Announced three Standards (next slide)
 - Request for comment
- Nov. 4: Public Announcement
 - Announced a series of 10 public meetings to be held to discuss PS-Prep across the country.
 - Extended comment closed January 15, 2010.

Likely Trajectory of PS-Prep

- Formal designation of standards.
- Accrediting body would then finalize its accreditation processes.
- Accreditation of certifying bodies would follow.
- Pilot projects will likely lead introduction.
- Supply chain “push down” may be factor.
- Small businesses may be dealt with separately

Potential Benefits of the PS-Prep in Advancing Supply Chain Resilience

- Standards-based – No need to develop individual corporate criteria for supply chain resilience.
- Can be customized to specific industry or corporate needs
– Program criteria can form foundation upon which a company or sector specific program can be built.
- Provides independent third-party verification of supplier resilience – Eliminates customer need to incur expense and effort to validate the assertions of suppliers.
- International in scope – Usable across the entire global supply chain.

Potential Benefits of the PS-Prep in Advancing Supply Chain Resilience

- Friendly to self-assessment or joint customer-supplier initiatives – Program designated standards & elements of assessment/audit process could potentially be used for first party and potentially second party assessments
- Suppliers could benefit from a more streamlined process– Lower costs and effort through a common approach with a single certification.
- Customers could benefit from streamlining as well. Customers generally lack the resources to comprehensively review and validate the responses from a diversity of suppliers.

Insights from InterCEP Working Groups

- Legal Liability
- Rating Agency
- Insurance
- General Reporting
- Supply Chain

The PS-Prep Program

For information about PS-Prep visit:

[FEMA Website:](#)

www.fema.gov/privatesectorpreparedness/

www.nyu.edu/intercep

An online clearinghouse of information
relevant to the PS- Prep Program.



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