



WECC

Self-Logging and Internal Compliance Program Assessment

Heather Laws – Manager, Enforcement
November 2017

Agenda

- Self-Logging
 - Overview
 - Is it right for you?
 - What have we seen in 2017?
- Internal Compliance Program Assessment (ICPA) Refresh Project
 - Overview
 - Best Practices
 - Lessons Learned

Self-Logging Overview

Entities may apply for this voluntary program whereby they are allowed to “log” minimal risk noncompliance, identified via their own internal monitoring

- Eligibility determined on a case-by-case basis at the discretion of WECC Enforcement, the entity must apply
- Self-Logging replaces a Self-Report and accompanying formal Mitigation Plan for each such instance of noncompliance that is minimal risk (as assessed by entity)
- Each quarter, the Registered Entity submits its log to WECC for review and processing
- Self-Logged issues of noncompliance receive Compliance Exception treatment, per the ROP/CMEP

Is Self-Logging Right for You?

- Entities with compliance risk; i.e. lots of people performing compliance activities
- Entities that have the resources to manage the required internal controls of the program
 - Monitoring program (identify)
 - Risk Assessment program (assess)
 - Root Cause Analysis program (correct)
- Issues that occur due to poor human performance; i.e. accidents, etc.
- Mitigation is often more training and management oversight

Self-logging in 2016/2017

- Five new entities applied, none accepted... yet
 - Missing or not comprehensive enough root cause analysis or risk assessment programs
 - WECC offered suggestions for creation or updating and encouraged entities to reapply once they were ready
 - One entity recently reapplied with updated programs
- Five active entities submitting logs quarterly
 - Resulting in 15 CEs issued in 2016 and 2017

Questions?

For additional information on Self-Logging,
please reach out to Deborah Hyland at
801-819-7620 or dhyland@wecc.biz

ICPA Project Overview

ICPA - Internal Compliance Program Assessment

- Voluntary program assessment – 13 survey questions
- Entities submit their ICP survey responses and their ICP with any supporting evidence, to WECC for assessment
 - ICPA results can better inform WECC Enforcement of an Entity's internal controls and compliance culture
 - ICPA results also support risk-based enforcement and assists when determining penalties, for credit

2017 ICPA – Best Practices

Best Practices

- Specifically defined frequencies of scheduled reviews, trainings, newsletters, etc (whether monthly, quarterly, trimester, annually) vs stating “periodic”, “regular”, or just that it is done
- Mock audits built into internal audit programs
- Templates with specific questions for human performance analysis, event analysis, and cause analysis
- Prizes and incentives for participating in compliance committee meetings and compliance related quizzes (gift cards, meals, etc), supports employee engagement
- Independent anonymous hotline for all employees to report any compliance concerns

2017 ICPA – Lessons Learned

- Entities have improved controls documentation and implementation of ICP's in a manner that reduces compliance risk.
 - More often than not the ICP's focus on internal controls, risk assessment, monitoring, and cause analysis as part of a robust programs.
 - Entities are incorporating regulatory compliance obligations into existing GRC tools.
- Entities really could and should be sharing internal controls ideas and best practices with each other to strengthen the whole Western Interconnection.
- Outreach needs to be horizontally across entities not just from top down, regulator to entities.

Questions?

For additional information on ICPA please reach out to Heather Laws at 801-819-7642 or hlaws@wecc.biz

Resources

- ERO Enterprise Self-Logging Program – February 1, 2016

[http://www.nerc.com/pa/comp/Reliability%20Assurance%20Initiative/Updated_ERO%20Enterprise%20Self-Logging%20Program%20\(2-1-16\).pdf](http://www.nerc.com/pa/comp/Reliability%20Assurance%20Initiative/Updated_ERO%20Enterprise%20Self-Logging%20Program%20(2-1-16).pdf)

- WECC Self-Logging Program and Criteria document

<https://www.wecc.biz/Administrative/WECC%20Self-Logging%20Program%20and%20Criteria.pdf>

- Internal Compliance Program Survey

<https://www.wecc.biz/Reliability/2017%20ICPA%20Survey%20V6.0.docx>