

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Status of Certification and Compliance Committee Audits As Of June 2015

Mechelle Thomas, Director of Internal Audit and Corporate Risk Management
Compliance and Certification Committee Meeting

June 10-11, 2015

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Agenda Item 2f.i

Closeout on status of non-conformance findings from audit of
NERC CMEP and ORCP

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Audit Objective:

- Ensure NERC's compliance with Compliance Monitoring and Enforcement Program (CMEP) and Organizational Registration and Certification Program (ORCP)

Audit Scope:

- CMEP and ORCP activities for the time period of 2009-2012

Audit Team:

- Independent Auditor (serves as audit team lead)
- CCC Observers
- NERC Internal Audit

Audit Timing:

- Audit commencement – November 2012
- Audit completion – January 2013

CCC

- Steering Committee
- Observer
- Tester of selected areas

Independent Auditor

- Finalize scope
- Conduct audit
- Report on findings
- Status and budget reporting

NERC Internal Audit

- Coordination
- Communication
- Collaboration

NERC Staff

- Provide requested information
- Remediate audit findings

- Agreement on scope
- Presentation of audit findings to CCC and EWRC
- Bi-monthly coordination and audit status update calls – CCC and NERC Director IA and CRM

	# of Non-Compliance Observations	# of Performance Improvement Observations
Total	2	23
Management Action Completed	2	23
Management Action Open & Outstanding	-	-

Note: Internal Audit will validate management actions to confirm completion.

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Agenda Item 2f.ii

Independent Audit Schedule for upcoming NERC CMEP and ORCP

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- Timing
 - Planning Activities – November 2015
 - Audit – Tentatively set – April 2016 (2 weeks at NERC – Atlanta and DC offices and telephonic status meetings)
- 2-3 CCC representatives needed to serve as observers
- Request for proposal for Independent Auditors – Q4 2015

Agenda Item 2f.iii

Final report Standards Processes Manual (SPM) and Standards Applicable to NERC (SAN)

Mechelle Thomas, Director of Internal Audit and Corporate Risk Management
Compliance and Certification Committee Meeting
June 10-11, 2015

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Audit Objective:

- Ensure NERC's compliance with Standards Applicable to NERC and the Standards Processes Manual

Audit Scope:

- NERC Standards Process Manual
- Reliability Standards Applicable to NERC

Audit Team:

- Independent Auditor (serves as audit team lead)
- CCC Observers
- NERC Internal Audit

Audit Timing:

- Audit commencement – July 2014
- Audit completion – November 2014

Observation Summary:

Review Area	# of Non-Compliance Observations	# of Performance Improvement Observations
Standards Process Manual	1	10
Standards Applicable to NERC	1	3
Total	2	13

According to NERC Staff, all Management Action Plans have been completed. Internal Audit will validate management actions to confirm completion.