



RELIABILITY FIRST

Guided Self-Certifications: A Guide for Registered Entities

Date: February 12, 2016

1. Purpose

This document outlines the process and work instructions for a Registered Entity to complete a Guided Self-Certification.

A Guided Self-Certification is a monitoring method whereby a Registered Entity completes a self-assessment of its compliance with applicable Standards and Requirements. Guided Self-Certifications break each Requirement into individual Audit Approaches/Tests, to ensure compliance with the entire Requirement. The Audit Approaches/Tests may focus on controls or associated reliability risks. The completion of the Guided Self-Certification includes the submission of substantiating evidence validating that the Registered Entity is compliant.

The Registered Entity will complete the Guided Self-Certification by answering the questions (Audit Approaches/Tests) provided by ReliabilityFirst. These questions address compliance and reliability concerns associated with the Requirements in scope. The completion of a Guided Self-Certification provides the Registered Entity an opportunity to demonstrate its appreciation of the risks identified in the Requirement and to expound on how it achieves compliance. ReliabilityFirst will review the responses and the evidence provided, to ensure that the risk to the Bulk Electric System has been addressed, and to ensure the Registered Entity is compliant with the Requirement. ReliabilityFirst will also provide possible process improvements and guidance to the Registered Entity, when appropriate.

2. Scope and Applicability

ReliabilityFirst will conduct Guided Self-Certifications as needed to address emerging system risks for applicable Registered Entities. The time period of the Guided Self-Certification is specified in the notification letter.

The scope of a Guided Self-Certification is those Standards and Requirements that address the identified risk(s) to the Bulk Electric System. These risks may be continent-wide risks, regional risks, or risks identified during an Inherent Risk Assessment.

3. Process

A. Registering in MKinsight

ReliabilityFirst will conduct the Guided Self-Certifications using the MKinsight software platform. In order to communicate securely with Registered Entities, ReliabilityFirst will sign up the Registered Entity's requested personnel as MKinsight Business Users. Only a Business User with an OATI certificate installed on his or her computer will be able to access the MKinsight system. ReliabilityFirst will contact the Business Users in advance of a Guided Self-Certification to ensure that they can access the system and complete the Guided Self-Certification.

B. Guided Self-Certification Coordination Call

Approximately five business days prior to the Guided Self-Certification notification, the Team Lead from ReliabilityFirst will conduct a short webinar with the Registered Entity (or Registered Entities) who will receive the notification letter. During this call the attendees will review the purpose of the Guided Self-Certification, the identified risk(s) addressed by the Guided Self-Certification, and the process to complete the Guided Self-Certification.

C. Guided Self-Certification Notification Letter

The Registered Entity's Business Users will receive the Guided Self-Certification notification letter through the [MKinsight Web-Portal](#). Instructions on how to use the MKinsight Web-Portal are located on ReliabilityFirst's [website](#). ReliabilityFirst will send an Observation (which is an electronic folder in the MKinsight Web-Portal) to the Registered Entity, which will include: (1) the Guided Self-Certification notification letter; (2) the ReliabilityFirst team's biographies and work histories; (3) the ReliabilityFirst Code of Business Conduct and Ethics Certification Form, (4) a list of the Audit

Approaches/Tests for the upcoming Guided Self-Certification; and (5) a copy of the Guided Self-Certification Coordination Presentation from the webinar. The screen-shot below provides an example of how the Observation will appear in the MKinsight Web-Portal.

The screenshot shows the MKinsight web portal interface. The browser address bar displays https://amsclient.rfirst.org/10_0/ActionTracking/TrackingPages/TrackingEditorPage.aspx?type=2. The navigation menu includes 'Actions & Observations', 'Configuration', 'Support', 'Recent Activity', 'My Observations', 'All Observations', and 'Information & Help'. The 'My Observations' section is active, showing a table of observations. A red box highlights the 'Select' link in the first row, with a red arrow pointing to it. The 'Detailed View' for observation 1405 is shown on the right, with a red box around the 'Attachments' tab. The 'File attachments' section lists several files with their descriptions, sizes, and delete options. A red arrow points from the 'Attachments' tab to the list of files.

| Select | Unique Reference | Name | Last Updated | My Assignments |
|------------------------|------------------|--|----------------------|----------------|
| Select | 1405 | ABC Company Notification Guided Self-Certification | 2/4/2016 11:37:56 AM | Assigned To |

Unique Reference: 1405 Origin: Audit Details: NERC: Level 1;RFC: RF;Registered Enti NERC #: 12345678

Update

Details **Attachments** Alerts

File attachments:

1. Enter File Description
2. Browse Files

Upload

| Open file | Description | File size | Delete file |
|---|------------------------------------|-----------|-------------|
| C:\Users\briant\Desktop\GSC Temp Files\Work Histories.docx | Work Histories | 11 KB | ✗ |
| C:\Users\briant\Desktop\GSC Temp Files\COBCEs.docx | COBCEs | 11 KB | ✗ |
| Coordination Presentation.docx | Coordination Presentation.docx | 52 KB | ✗ |
| C:\Users\briant\Desktop\GSC Temp Files\Guided Self-Certification Notification Letter.docx | Notification.docx | 78 KB | ✗ |
| C:\Users\briant\Desktop\GSC Temp Files\Audit Approaches -Tests for Entity.docx | Audit Approaches -Tests for Entity | 716 KB | ✗ |

D. Guided Self-Certification Workpaper Email

The Registered Entity will also receive an email that includes a link to complete the Guided Self-Certification. An example of this email is provided below:

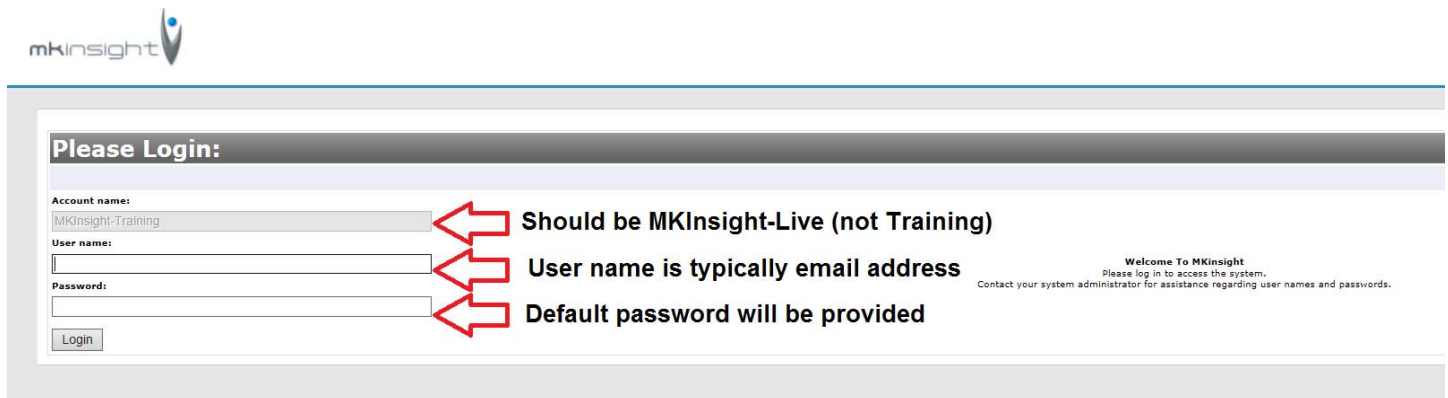


To open the Guided Self-Certification, the Registered Entity should click on the blue link at the bottom of the email entitled "Complete the Workbook." This email will be sent to all of the Registered Entity's Business Users. Only one of the Registered Entity's Business Users will need to send the Guided Self-Certification back to ReliabilityFirst, but all of the Business Users will be able to open the Guided Self-Certification.

It is important for the Registered Entity to retain this email, as the link is needed to complete the Guided Self-Certification. If the email is accidentally deleted, the Registered Entity should contact the Team Lead as specified on the notification letter and he or she will resend the link.

E. Logging Into MKinsight to Complete the Workpaper

When logging into MKinsight, the Registered Entity should enter the Account Name "MKInsight-Live" as shown in the graphic provided below. The Registered Entity's username and password are those that were previously provided when the Registered Entity registered as an MKinsight Business User. If a Registered Entity cannot remember its user name or password, the Registered Entity should contact a ReliabilityFirst Process Coordinator or the Team Lead for assistance.



F. Completing the Guided Self-Certification

Logging into the MKinsight system will open the Guided Self-Certification workpaper. This workpaper may consist of multiple Requirements. The Registered Entity should:

1. [Read and Review the Audit Approaches/Tests for Each Standard and Requirement](#)
2. [Populate the Drop-Down Menu with the Appropriate Responses to the Audit Approaches/Tests](#)
3. [Write Notes Regarding Compliance with the Audit Approaches/Tests](#)
4. [Attach Evidence Showing Compliance with the Audit Approaches/Tests](#)
5. [Click Save and then Submit to send the Guided Self-Certification to ReliabilityFirst](#)

Each of the above steps are described in further detail below. It is important to note that the Registered Entity should **not** click **Submit** (at the top of the workpaper) until it answers every Audit Approach/Test, including adding notes and evidence attachments. Clicking **Submit** will send the Guided Self-Certification to ReliabilityFirst, even if it is not yet completed. The Registered Entity can click **Save** at any time and return to the workpaper through the email link.

1. Read and Review the Audit Approaches/Tests for Each Standard and Requirement

The Guided Self-Certification will contain the selected Standards and Requirements. The Audit Approaches/Tests (see example below) are taken from the NERC RSAW documents, but ReliabilityFirst may provide additional tests or questions to ensure that the Registered Entity addresses the risks adequately and assesses the controls related to the Standard and Requirement.

Clicking on a Requirement in the left-hand column will highlight it in blue and display the associated Audit Approaches/Tests in the right-hand column.

The screenshot displays the 'Workpaper Objectives' section with a 'Total score: 0%' indicator. Below this, the 'Standards 1/1' section shows a table with columns for 'Standard', 'Requirements', and 'Audit Approaches / Tests'. A red box highlights the 'BAL-001-1' standard. In the 'Requirements/Controls' section, a list of requirements is shown, with the first requirement (R1) highlighted in blue. A red arrow points from the text 'Click on the words of the Requirement to highlight in blue so as to read the Audit Approaches/Tests in the right-hand column.' to the highlighted requirement. The 'Audit Approach/Tests' section shows two tests with 'Findings' dropdown menus.

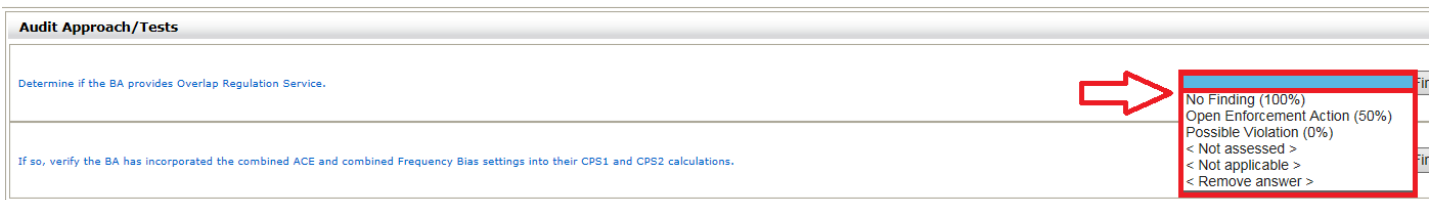
2. Populate the Drop-Down Menu with the Appropriate Responses to the Audit Approaches/Tests

The drop-down menus next to each Audit Approach/Test (see example below) are designed for the Registered Entity to declare its compliance or non-compliance with the Requirement. Most of the Audit Approaches/Tests have the following options available within the drop-down menu:

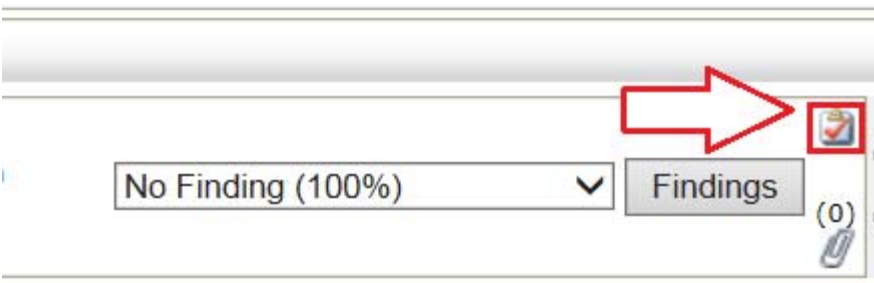
- **No Finding** (*i.e.*, there is reasonable assurance of compliance based upon the review of the evidence presented);

- **Open Enforcement Action** (*i.e.*, at the time of the Guided Self-Certification the Registered Entity has an open enforcement action item regarding one or more Requirements);
- **Possible Violation** (*i.e.*, compliance with the Requirement has not been met based upon the review of the evidence presented);
- **Not applicable** (*i.e.*, the Registered Entity does not use, own, or operate facilities, equipment, procedures, etc. specified by the Requirement at this time); and
- **Remove answer** (if at any point the Registered Entity wishes to modify its answer to the Audit Approach/Test, the Registered Entity should click on this option).

Certain Audit Approaches/Tests may be answered with a **Yes** or **No** or may require other responses. It is the Registered Entity’s responsibility to go through each of the Audit Approaches/Tests and click the applicable response. If there are any questions regarding the Audit Approaches/Tests on a Guided Self-Certification, the Registered Entity should contact the Team Lead specified in the Guided Self-Certification Notification Letter.

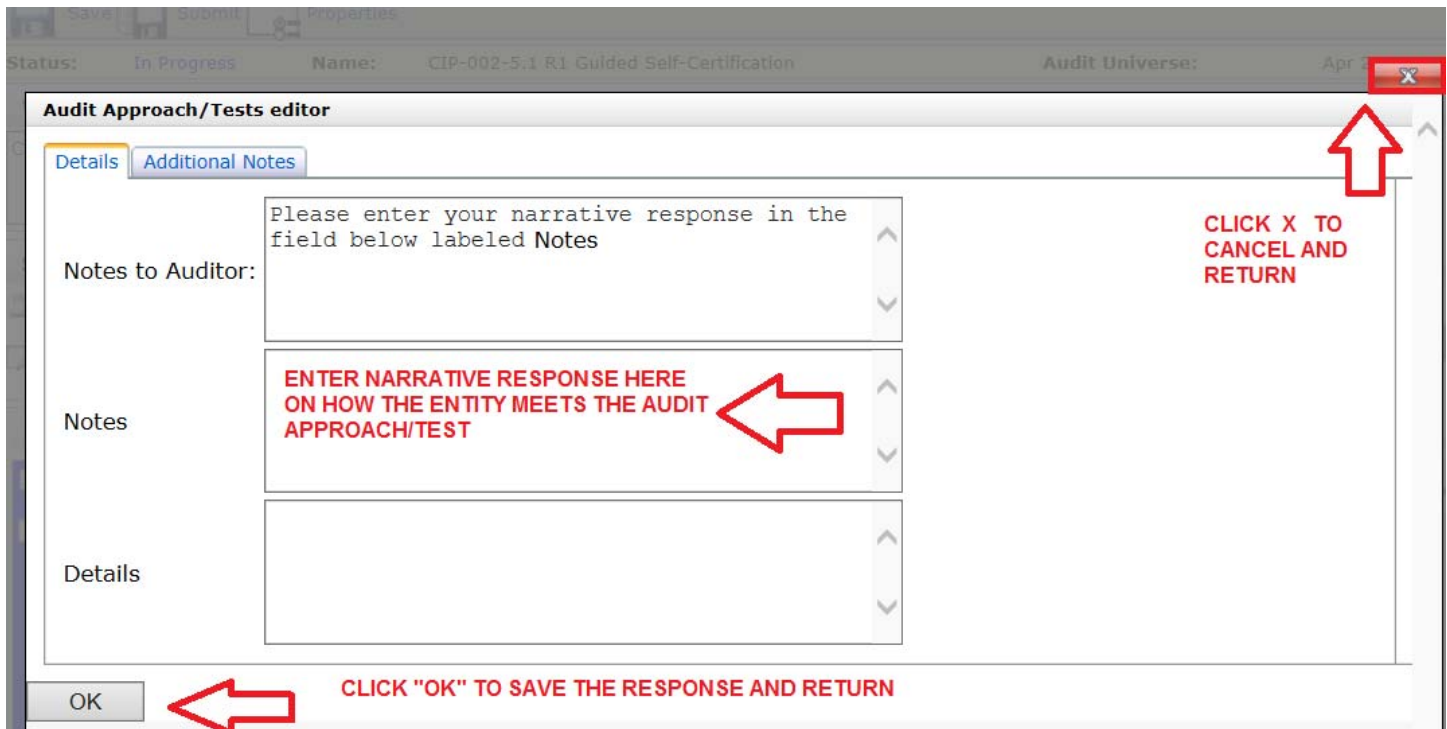


After the Registered Entity populates a drop-down menu, a red-check mark will appear in the box above **Findings**. It is important to note that for Audit Approaches/Tests that are in text box format and do not include a drop-down menu, the Registered Entity should click on the box above **Findings** to acknowledge completion. Before the Registered Entity submits a Guided Self-Certification ([described in Section 5 below](#)), each Audit Approach/Test should have a red check mark next to it, as shown in the graphic below.



3. Write Notes Regarding Compliance with the Audit Approaches/Tests

The Registered Entity should type a narrative response describing how it meets the requirements of each Audit Approach/Test (see graphic below). For each Audit Approach/Test, the Registered Entity should click the **Findings** icon next to the drop-down box. This will open up the **Audit Approach/Tests editor**. In the **Notes** field, the Registered Entity should describe how it meets the Audit Approach/Test. The Registered Entity should also submit evidence to substantiate its response (this is [described in further detail in Section 4 below](#)). When the Registered Entity is finished adding notes, it should then click **OK** to save. To cancel and not save, the Registered Entity can click the **X** in the upper right-hand corner of the field.



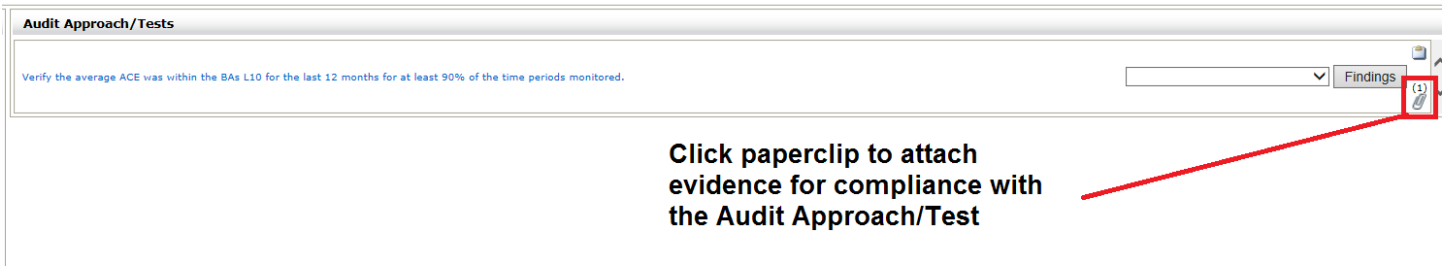
4. Attach Evidence Showing Compliance with the Audit Approaches/Tests

For each Audit Approach/Test, the Registered Entity is responsible for submitting evidence (attachments) showing compliance and substantiating the response described in [Section 3](#). To do so, the Registered Entity should click on the paper-clip next to the **Findings** icon in the Audit Approach/Test box (see graphic below). Clicking on the paperclip will allow the Registered Entity to:

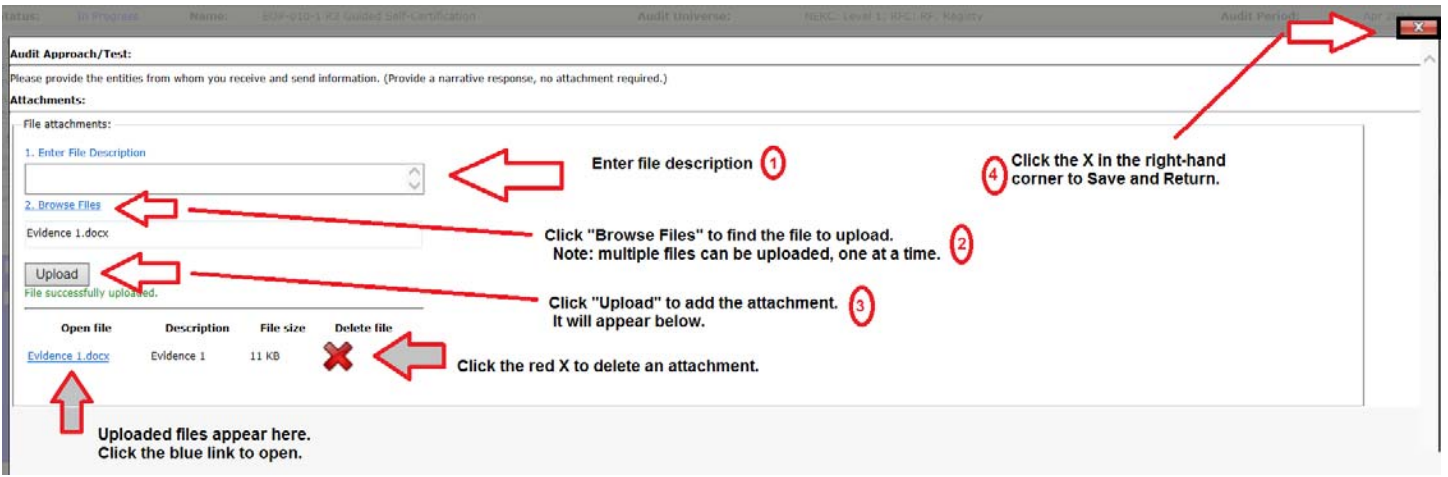
1. **Enter a File Description** (Name the file);
2. **Browse Files** (Find the file on your computer to upload); and
3. **Upload** (Upload the document).

Please note that there is no **OK** button on this screen, and the attachment will automatically save after the Registered Entity clicks **Upload**. The Registered Entity should click the **X** in the upper right-hand corner to leave this screen. To delete an attachment, the Registered Entity should click the large **X** next to the attachment.

If an uploaded attachment demonstrates compliance for more than one Audit Approach/Test, the Registered Entity should specify this in the notes (described in [Section 3 above](#)), so that ReliabilityFirst understands how the evidence matches the narrative responses. The Registered Entity should reference page numbers or bookmark the document to point ReliabilityFirst to the substantiating evidence. If there are any questions regarding the evidence needed to satisfy an Audit Approach/Test on a Guided Self-Certification, the Registered Entity should contact the Team Lead.

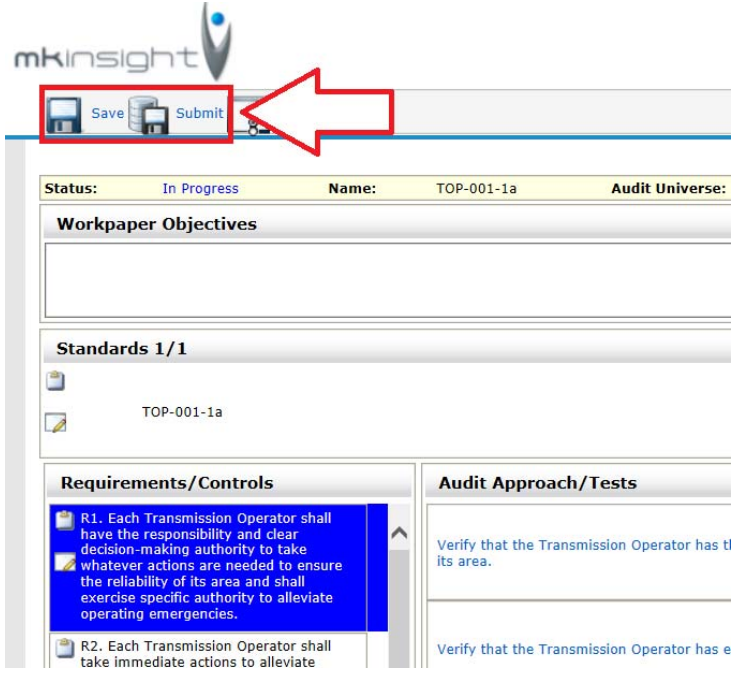


Click paperclip to attach evidence for compliance with the Audit Approach/Test



5. Click Save and then Submit to send the Guided Self-Certification to ReliabilityFirst

The Registered Entity should **not** click **Submit** until it answers every Audit Approach/Test and adds notes and evidence attachments. Clicking **Submit** will send the Guided Self-Certification to ReliabilityFirst, even if it is not yet completed. When every Audit Approach/Test has been completed, the Registered Entity should click **Save** and then **Submit** (see graphic below).

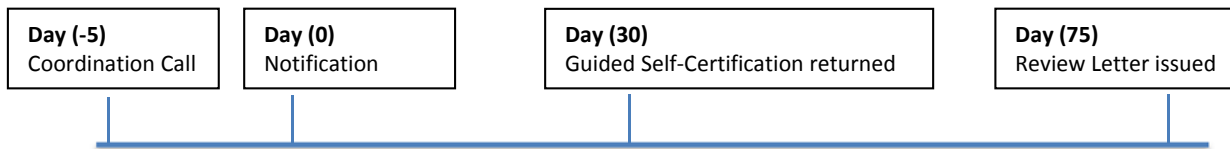


The Registered Entity may choose to **Save** and then return to the Guided Self-Certification at a later time. To return to the Guided Self-Certification, the Registered Entity can go to the email that was sent to the Registered Entity and click on the link at the bottom of the email that says [Complete the Workbook](#). Please note that this is the only way to return to the Guided Self-Certification.

Once the Guided Self-Certification is submitted, the link in the initial email cannot be used to open the Guided Self-Certification. If the Registered Entity submits the Guided Self-Certification to ReliabilityFirst but needs to revise it, the Registered Entity should contact the Team Lead so that the Guided Self-Certification can be sent back via email. The Registered Entity will receive a new email with a new link to open the Guided Self-Certification.

G. ReliabilityFirst Review and Timeline

ReliabilityFirst provides the Registered Entity with at least **thirty (30) business days** to respond to a Guided Self-Certification. Upon receipt of the completed Guided Self-Certification, ReliabilityFirst staff will respond back to the Registered Entity within **forty-five (45) business days** with a Review Letter. This provides ReliabilityFirst staff time to review the responses and evidence, contact the Registered Entity with any clarifying questions, and complete the Review Letter. This time frame may be extended if there is a need to review additional evidence.



H. ReliabilityFirst Analysis

The ReliabilityFirst Team Lead and other assigned team members are specified in the Guided Self-Certification Notification Letter that is sent to the Registered Entity. Upon receiving the Guided Self-Certification from the Registered Entity, this team will review the responses and the substantiating evidence, and assess the Registered Entity's response to the Audit Approaches/Tests. If the team does not agree with the Registered Entity's response, the Team Lead will contact the Registered Entity for an Additional Evidence Request or schedule a conference call to interview Subject Matter Experts who can explain the Registered Entity's response and substantiating evidence. Additional Evidence Requests are sent through the [MKinsight Web-Portal](#) and provide the Registered Entity with an opportunity to provide additional evidence demonstrating compliance with the Requirements (see the [MK Communication Procedure for Registered Entities](#) for further details on how to respond to an Additional Evidence Request).

The team may identify observations based upon their review of the data. These observations will be communicated to the Registered Entity in the Review Letter.

Positive Observation: Positive Observations are used to recognize Registered Entities for approaches and processes which show that it has an embedded culture of compliance regarding a Requirement or stands out among their peers.

Recommendations: Recommendations are used to notify Registered Entities of a situation in which an opportunity may exist for improving compliance-related processes, procedures, tools, or internal controls.

Areas of Concern: Areas of Concern are used to notify Registered Entities of specific advice that the Registered Entity should consider to ensure future compliance with the Requirement in the future.

Possible Violations

If a Registered Entity completes the Guided Self-Certification and specifies that there is a **Possible Violation**, the team will review the narrative response and any evidence submitted to substantiate the response. If the team agrees, this will be communicated to the Registered Entity in the Review Letter and the Possible Violation will be sent to Enforcement for further action. If the team believes that the Registered Entity is compliant, it will change the finding to a **No Finding** and may issue an **Area of Concern** or **Recommendation**. ReliabilityFirst will communicate any disagreement regarding the Registered Entity's Guided Self-Certification to the Registered Entity and will document it within the Review Letter.

If the Registered Entity completes the Guided Self-Certification and specifies **No Finding**, but the team does not receive the substantiating evidence to support the Registered Entity's response, the team will contact the Registered Entity. This may lead to Additional Evidence Requests or a conference call to better determine if the Registered Entity is compliant with the Requirement. If the team comes to the conclusion that the Registered Entity is not compliant with the Requirement, it will change the finding to **Possible Violation**. In this scenario, the Team Lead will discuss the change with the Registered Entity, and will document this change within the Review Letter (describe in further detail below).

Please note that the MKinsight system will track both the Registered Entity's self-assessment plus any ReliabilityFirst changes to the findings. All changes will be documented and the team will provide a synopsis of why it believes the Registered Entity was not compliant with the Requirement. There may be situations where the team will need to elevate the monitoring method to a Spot Check or other monitoring method to determine if there is a non-compliance.

Any Possible Violations identified (either by the Registered Entity or by the team) will be provided to Enforcement following the issuance of the Review Letter.

I. Review Letter

The Review Letter is used to communicate to the Registered Entity that the team has completed its review of the Registered Entity's Guided Self-Certification. This letter may inform the Registered Entity of the following scenarios:

Scenario 1: The team agrees with the Registered Entity's self-assessment, no Possible Violations were identified, and no further action is required.


Scenario 2: The team agrees with the Registered Entity's self-assessment and has identified no Possible Violations, but has identified Positive Observations, Recommendations, or Areas of Concern based upon its review of the evidence. No further action is required, but the team strongly suggests that the Registered Entity review these observations and take action as needed to maintain or enhance compliance with the Requirement.

Scenario 3: The team agrees with the Registered Entity's self-assessment which identified a Possible Violation. This Possible Violation will be provided to Enforcement for follow-up actions. (Please note that a Possible Violation finding may also include additional Recommendations or Areas of Concern, if needed).

Scenario 4: The team does not agree with the Registered Entity's self-assessment. The team will provide details regarding why it does not agree, which finding was changed, and why. If the team has identified a Possible Violation, it will be provided to Enforcement. (Please note that a Possible Violation finding may also include additional Recommendations or Areas of Concern, if needed).

The Review Letter is the Registered Entity's documentation that the assessment of the Guided Self-Certification has been closed by ReliabilityFirst. ReliabilityFirst will maintain evidence of the Guided Self-Certification, including all notes, workpapers, and evidence securely stored on the MKinsight system platform.

4. Document Revision History

| Rev. | Reason for Change | Reviewed by | Date | Approved by | Date |
|------|--|---|---------------------------|--|-----------|
| 1 | Creation and review of initial process for Guided Self-Certifications. | Brian Thiry Denise Hunter Gary Campbell Ray Sefchik Megan Gambrel | 1/28/2016 2/8/2016 |  | 2/12/2016 |
| | | | | | |