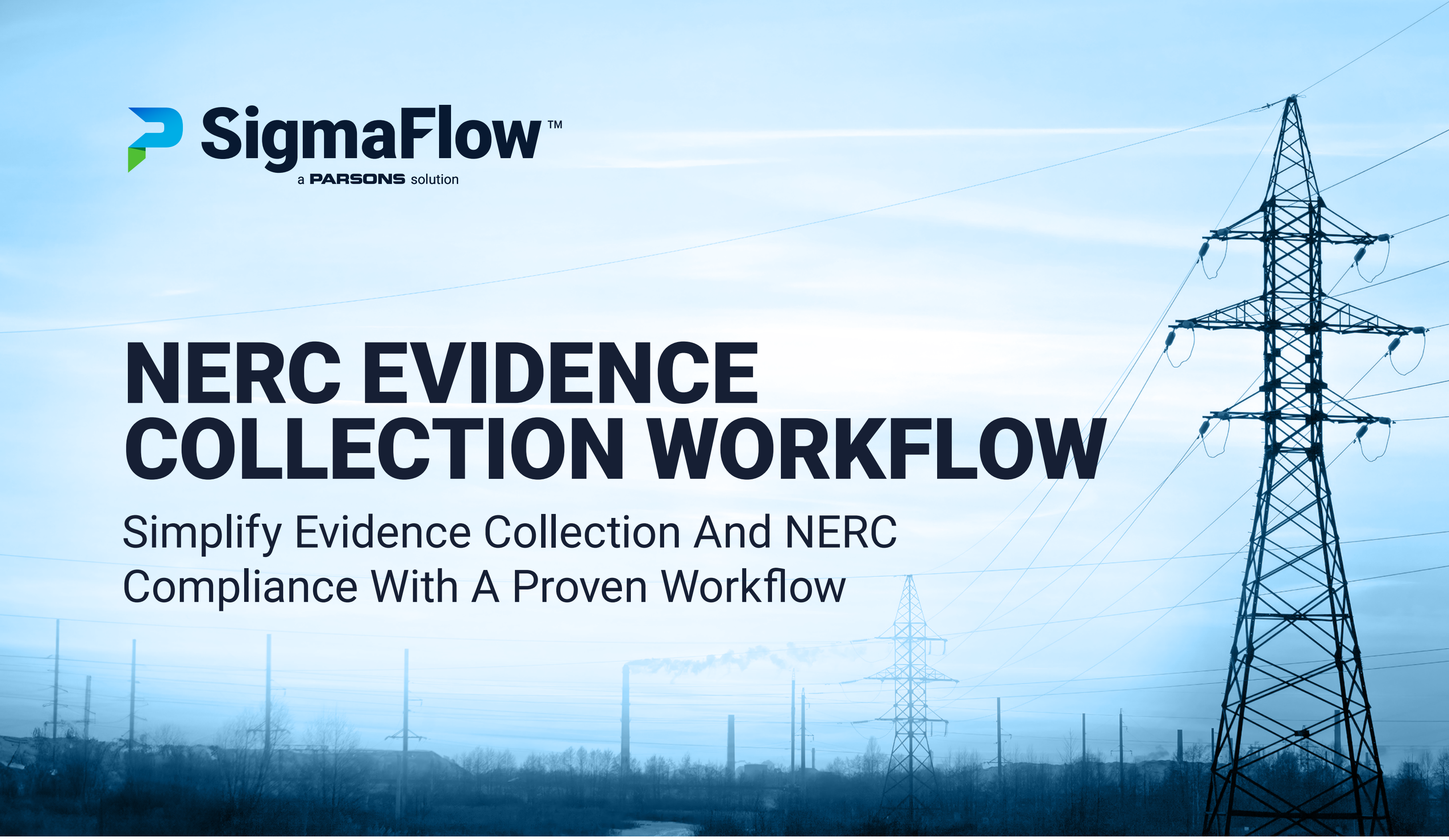

SigmaFlow™
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NERC EVIDENCE COLLECTION WORKFLOW

Simplify Evidence Collection And NERC Compliance With A Proven Workflow

In this white paper, we will address one of the most time-consuming and challenging aspects of NERC compliance management—evidence collection. Our work with many NERC-registered entities both large and small have given us unique insights into how to improve and automate NERC compliance processes. Beyond that, our VP of NERC implementation services and consulting, Trey Kirkpatrick, comes to us with a background in assessing NERC-registered utilities. His findings are shared here.

Key Takeaways

- Commonalities between the best-recognized NERC compliance organizations.
- Tips to make compliance activities run smoothly.
- Our recommended workflow to streamline evidence collection is universally regarded as one of the most complicated aspects of NERC compliance standards.

Introduction

SigmaFlow's VP of NERC implementation services and consulting, Trey Kirkpatrick, recently completed a compliance assessment for a large utility on the East Coast with multiple registrations in various states. As most large utilities have experienced some compliance scrutiny since the NERC standards became mandatory in 2007, the senior management of this NERC-registered entity wanted to take a close look at the organizations that were responsible for compliance oversight and the departments that were implementing the compliance standards and requirements to ensure their processes were efficient and maintaining compliance.

Management also asked to compare the findings of this assessment with a benchmark of other regulated utilities that had similar registrations. Trey's team was pleasantly surprised by the cooperation of these utilities and their compliance organizations. While there is not one correct way for a company to organize its compliance, the team did find commonalities between all of the best-recognized compliance organizations. The assessment found that these organizations all had the following:

- Senior management focused on making NERC compliance a strategic priority
- Visibility into compliance management from an executive steering committee
- One high-level executive accountable for NERC compliance, even up to the COO level
- A compliance tracking tool that had brought automation to their program

These similarities are foundational for a successful, efficient, and compliant NERC program. In this white paper, we will keep these important takeaways in mind as we explain our recommended workflow for evidence collection.

Managing The Minutiae Of NERC Compliance

The team identified similarities between successful NERC organizations, but it also discovered common issues across entities. Below are some notable sticking points that were identified.

Compliance teams are overwhelmed by the numerous responsibilities they have to keep track of throughout the year.

Many organizations need, but do not have, an annual compliance working plan that can be communicated on a regular basis to the following:

- The executive steering committee
- The standard owners (usually at the director level)
- The individuals implementing the requirements

Similarly, organizations need to keep track of the NERC standards that are being revised and reviewed by the industry; the timing of these revisions going through the review, balloting, and approval process; and how they are going to impact the company's business and internal compliance program.

Evidence Collection: Collectively One Of Compliance Organizations' Biggest Headaches

These are just a few of the challenges reported in the assessment. One of the things causing the most concern within compliance organizations was collecting and tracking all the evidence required to show compliance. With so much focus over the years on cybersecurity, the operations and planning (O&P) compliance organizations have been asked to do more with less and still keep track of the majority of NERC applicable standards.

Evidence Collection Workflows

Needs to consider when building your evidence collection workflow.

Let's focus on one of the primary workflows and tools necessary for evidence collection.

Individuals in the department responsible for a company's NERC implementation are performing their day-to-day jobs, and NERC is just one aspect of their work.

Compliance organizations have to keep track of these individuals. Since COVID-19, most compliance groups have been working from home. People are constantly changing positions, moving from department to department, choosing early retirement, or moving to other companies because of the tight job market looking for experienced individuals and leaders.

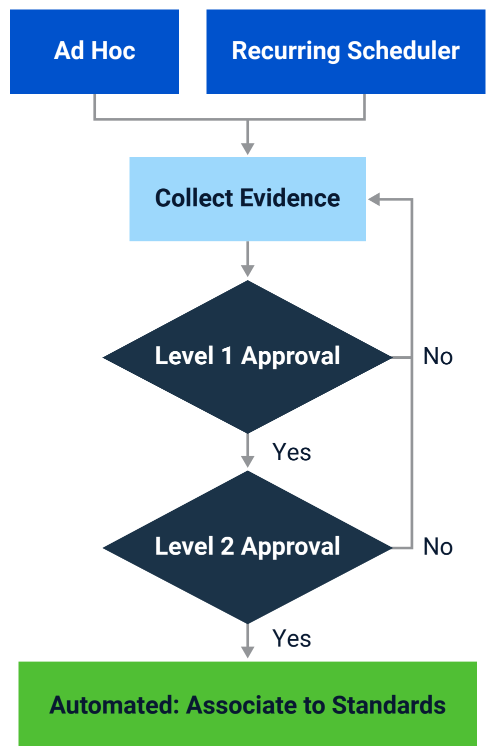
During the benchmarking project, the team universally heard from compliance organizations that being audit ready at all times is difficult to accomplish without an automated compliance management system that has the following:

- Periodic notifications to the individuals responsible for their requirements.
- Clear instructions on what needs to be collected.
- An easy way to add evidence and have it stored in a document-controlled system associated to the applicable standards and requirements.
- The system should have a robust reporting system and the capability to pull together the evidence needed for NERC audits, spot checks, or other requests made by the regulator.
- Because of the individual's busy workload, they need reminders, escalations to management, and the compliance organization.

Without a comprehensive compliance management software system, the compliance organization responsible for monitoring compliance within the registered entity cannot see the big picture within the organization—you may recall we mentioned earlier that visibility into compliance management is one of the aspects that the best-recognized compliance organizations have in common.

Our Proven, Automated Evidence Collection Workflow

The SigmaFlow evidence collection workflow is designed to be implemented with automated workflow schedules that help eliminate the human error of missing timelines and compliance evidence. This is a periodic workflow schedule that is set to the internal controls of a compliance group and periods that are mandatory in the NERC standards.



The workflow schedule is usually managed by the compliance organization, but implementing departments can also manage these workflows with proper permissions and job roles within the system.

The SigmaFlow evidence collection workflow has the following primary features:

- Workflow owner of the evidence collection schedules
- Calendar dates and an automated schedule to create specific compliance tasks
- Link to the applicable NERC standards and requirements
- Assigned individual or subject matter expert (SME) to provide the required compliance evidence
- Description of the task in detail of what is expected for compliance evidence
- Option to link to procedures, programs, or instructions if additional information and support is required
- Reviewers of the evidence to ensure proper oversight
- Document-controlled repository to store submitted evidence

Additionally, SigmaFlow has an RSAW generation solution that will link evidence from the SigmaFlow document control repository to RSAW documentation and strong reporting capabilities that include dashboards that can be used to show the status of compliance within an organization.

Conclusion

While there is no one-size-fits-all approach to managing compliance, leveraging some key principles to guide your compliance program will help ensure you're in compliance and audit ready. Ultimately, it boils down to how your leadership prioritizes the importance of compliance within your organization and leveraging automation wherever possible. While we're using evidence collection to highlight these principles, the same can be applied to most (if not all) compliance workflows.

Join Us On The Road To Simplified NERC Compliance

SigmaFlow Compliance Manager has been assisting companies in managing NERC compliance since 2013. As an industry leader, we've built multiple compliance workflows into the application that customers have used to implement their compliance programs throughout North America.

To learn more about utilizing SigmaFlow Compliance Manager to simplify your NERC compliance management, request a conversation with our team today.

To learn more or request a demo, visit us at: **www.parsons.com/sigmaflow** or email **sigmaflow@parsons.com**