

# Alberta Reliability Standards Market Participant Audit Guide

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# 1. Introduction

## 1.0 BACKGROUND

Through a compliance monitoring audit, an integral part of Alberta Reliability Standards Compliance Monitoring Program (CMP), the compliance monitor systematically and objectively evaluates the registered market participant's compliance with applicable Alberta reliability standards.

All compliance monitoring audits will be conducted utilizing basic auditing principles of independence, objectivity, impartiality, integrity, and confidentiality. All auditors will follow high standards of honesty, fairness, and professional judgment. Compliance monitoring audits will be completed without bias, prejudice, variance, or compromise, and will be performed with proficiency and due professional care. All auditors, contractors, and subject matter experts involved in compliance monitoring audits will possess or obtain the knowledge, skills, and other competencies needed to perform their responsibilities. All auditors, contractors, and subject matter experts will conduct themselves in accordance with the AESO's Code of Conduct.

A consistent, fair, objective, and efficient process is essential for carrying out the compliance monitoring audit. The AESO has established this document to provide clarity and guidance on the audit process to parties involved in a compliance monitoring audit.

## 1.1 PURPOSE

The purpose of this guide is to define the procedures and guidelines for planning, executing, and reporting with respect to each compliance monitoring audit.

## 1.2 APPLICABILITY

This guide is applicable to the compliance monitor and any registered market participant that is involved in the compliance monitoring audit as described in the *Alberta Reliability Standards Compliance Monitoring Program (CMP)*.

For the purpose of this guide, the term "compliance monitor" is applied as follows:

For the ISO, the compliance monitor is the Market Surveillance Administrator (MSA).  
For all other registered market participants, the compliance monitor is the AESO.

## 2. About this Guide

### 2.0 SECTIONS

This guide is divided into 5 sections:

**Section 1:** Introduction

Provides the background, purpose and applicability of this document.

**Section 2:** About this Guide (this section)

Provides information on how to use this document.

**Section 3:** Procedures

Provides information on what the registered market participant needs to do and what they can expect during a compliance monitoring audit. Subsections cover:

- 3.1 Scheduling
- 3.2 Pre-assessment
- 3.3 Assessment
- 3.4 Post-assessment
- 3.5 Referrals

**Section 4:** Guidelines

Provides information on the guidelines used to create the compliance monitoring audit processes.

**Section 5:** Related Documents and Revision History

Provides links to documents referenced in this document and the revision history.

### 2.1 NAVIGATING THE ELECTRONIC VERSION

The electronic version of this guide contains useful navigation tools that can be used to find pertinent information without searching through each section.

**Table of contents**

The table of content shown prior to section 1 can be used as a means of navigating to any section or subsection in the guide.

To jump to a section or sub-section simply click on any line item in the table of contents.

**Underlined text**

Text that is underlined in blue is used to indicate a link to related topics within the guide or to documents on the internet.

To use the link, click on the underlined text.

### 3. Procedures

The purpose of this section is to give registered market participants information on the procedures related to a compliance monitoring audit. Guidelines related to the procedures are given in section 4.

#### 3.0 COMPLIANCE MONITORING AUDIT OVERVIEW ([SEE GUIDELINES IN SECTION 4.0](#))

The compliance monitoring audit is part of the Alberta Reliability Standards Compliance Monitoring Program (CMP) which includes registration, self-certification, reporting and the compliance monitoring audit.

##### **Audit Types**

There are two types of compliance monitoring audits:

- a. Scheduled audit (every three years)
- b. Spot audit (as required)

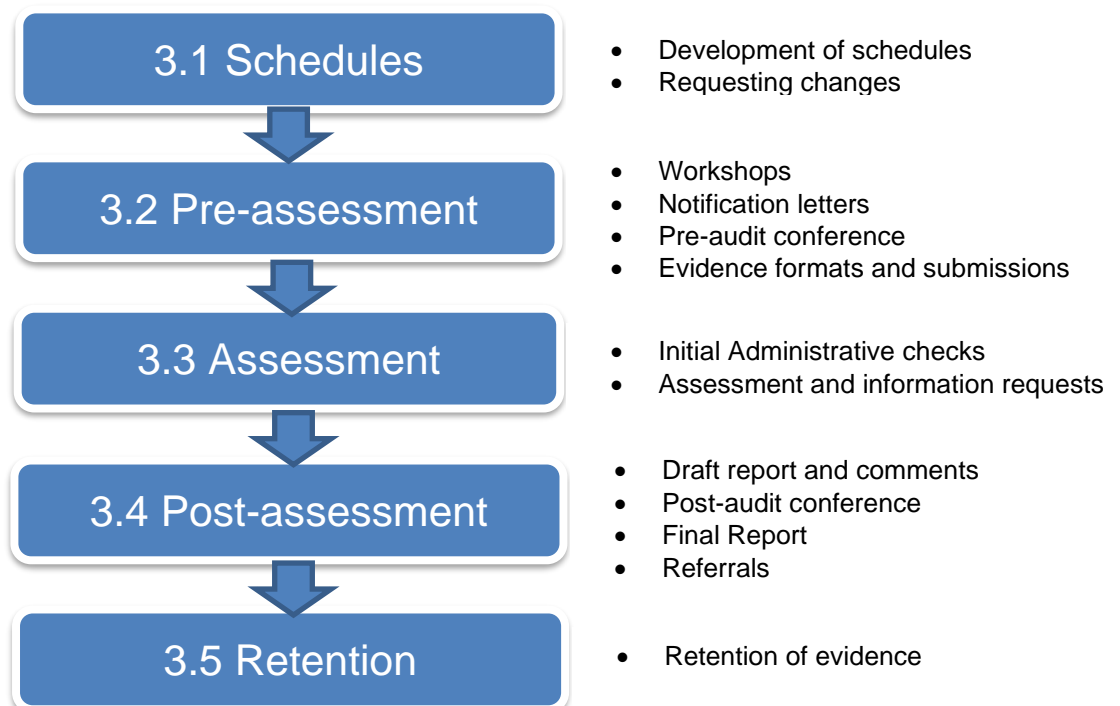
Scheduled audits are normally carried out at the compliance monitor’s offices.

##### **Confidentiality**

Compliance monitoring audits conducted by the compliance monitor will be done on a confidential basis as prescribed in ISO rule 103.12.

##### **Audit Phases**

As shown in the diagram below, there are five phases to the compliance monitoring audit. The number in each box refers to the section in this guide. The side text shows the topics covered:



### 3.1 SCHEDULES ([SEE GUIDELINES UNDER SECTION 4.1](#))

All registered entities are scheduled for a compliance monitoring audit every 3 years. Changes to the audit schedule may occur due to changes in the registry or by request from market participants.

#### Procedures:

#### 1. *Identify when registered market participants are scheduled for an audit*

The Alberta Reliability Standards compliance monitoring audit schedule can be found on the AESO's website under: Rules, Standards and Tariff > Compliance > Alberta Reliability Standards Compliance > Compliance Monitoring Audits > [Years] audit schedule. To open the schedule, click [here](#) to access the Alberta Reliability Standards compliance web page, browse through to the Compliance monitoring audits section then select the audit schedule document link.

A change to the audit schedule may occur when there is a change to the *Alberta Reliability Standards Registry* or by a registered market participant requesting a change. The compliance monitor will notify the registered market participant if there is a change to their schedule.

#### 2. *If required, request a change to the compliance monitoring audit schedule*

A registered market participant may request a change in their audit schedule at any time prior to or within 7 days of the receipt of the audit notification for the following reasons:

- a. The audit schedule for their entity may conflict with other business activities,
- b. A significant interdependency exists with other registered market participants and are required to be audited in the same audit year.

A registered market participant may request a change in their audit schedule for consideration by the compliance monitor by submitting their request to [rscompliance@aeso.ca](mailto:rscompliance@aeso.ca).

#### 3. *If required, request a delay of their compliance monitoring audit*

A registered market participant may request a delay in their compliance monitoring audit at any time prior to or within 7 days of the receipt of the audit notification if there is a conflict with other business activities. A delay of more than 6 weeks will only be considered under exceptional circumstances.

A registered market participant may request a delay in their compliance monitoring audit for consideration by the compliance monitor by submitting their request to [rscompliance@aeso.ca](mailto:rscompliance@aeso.ca).

### 3.2 PRE-ASSESSMENT ([SEE GUIDELINES UNDER SECTION 4.2](#))

Prior to the assessment and to properly plan and prepare for an upcoming compliance monitoring audit, the compliance monitor encourages registered market participants to read through this guide. Any questions not covered in this guide, should be emailed to [rscompliance@aeso.ca](mailto:rscompliance@aeso.ca).

#### Procedures:

### **1. Attend the training session**

Currently, a quarterly audit guideline workshop is offered to registered market participants that are scheduled for an upcoming audit. An invitation will be sent to the registered market participant's primary Compliance Monitoring Program (CMP) contact person approximately one month prior to the workshop.

### **2. Review the contents of the notification letter**

A notification letter will be sent via email to the primary CMP contact person for the registered market participant at least 30 days prior to a scheduled audit and at least 20 days prior to a spot audit. Information related to the content of the notification can be found in section 4.2 of this guide under "[Audit Notification](#)".

### **3. Meet the auditor to discuss the audit process**

In the notification letter, the compliance monitor will propose a date and time for a pre-audit conference call. Upon receipt of the notification letter, the registered market participants should either; accept the proposed date and time, propose an alternate date and time or decline the request by replying to [rscompliance@aeso.ca](mailto:rscompliance@aeso.ca).

### **4. Check that evidence in the preferred format**

The preferred method for submitting evidence is electronically and it can be in the form of XLSX, XLS, TXT or CSV format and Windows media format WMA, WMV.

Files should not contain viruses, macros or be encrypted. Files that do not meet these criteria will be rejected. If the registered market participant has a business process which requires encryption, they should contact the compliance monitor audit contact as shown on the notification letter.

### **5. Fill out the appropriate Reliability Standard Audit Worksheet(s) (RSAW)**

The registered market participant should download the latest version of each applicable Reliability Standard Audit Worksheet(s) (RSAW). RSAWs can be found at [www.aeso.ca](http://www.aeso.ca) under Rules, Standards and Tariff > Compliance > Alberta Reliability Standards Compliance > Reliability Standards Audit Worksheets (RSAWs). Click [here](#) then select the Reliability standards audit worksheets section header to access the RSAW page.

The RSAW must be filled out and submitted to the compliance monitor with the evidence files. For each applicable requirement request, the registered market participant must provide a hyperlink(s) to the individual evidence document(s) or the embedded individual evidence document(s). The hyperlink or embedded document(s) should be placed in the "Evidence" column.

The "Evidence Description" column may be used by the market participant to provide further detail on the evidence location (such as page or paragraph). The "Evidence Description" column should not be used should provide additional evidence. The RSAW is simply meant to point the auditor to evidence documents that are related to the particular requirement and associated request.

### **6. Fill out the pre-audit survey**

The provided pre-audit survey must be filled out and submitted to the compliance monitor with the evidence files.

**7. *Understand the restrictions to email submissions***

The AESO's preferred method of evidence submission is through SharePoint. However, the AESO will continue to accept files that are less than/equal to 10MB through email. Multiple emails may be used to a maximum file submission of five times 10MB.

If evidence is larger than 50MB, Market Participants may also choose to submit an optical disc or USB data stick in person or via a postal service.

**8. *Submit the pre-audit survey, applicable RSAW(s) and the evidence files***

The AESO's preferred method of evidence submission is through SharePoint. Email submission is made to [rscompliance@aeso.ca](mailto:rscompliance@aeso.ca). The deadline for submission through SharePoint or email is 11:59 p.m. MPT (Mountain Prevailing Time) on the date as shown in the notification letter.

In person or postal service submission is made to the AESO's main office which is located at:

2500, 330 – 5<sup>th</sup> Avenue SW Calgary, AB T2P 0L4  
 Reception – 25<sup>th</sup> floor  
 Office hours are Monday through Friday 8 a.m. to 5 p.m.

The deadline for in person submission is 5 p.m. MPT (Mountain Prevailing Time) on the date as shown in the notification letter.

If using a postal service, the post marks must be on or before the due date.

It is the registered market participant's responsibility to obtain delivery receipts.

**3.3 EVIDENCE SUBMISSION DEADLINE**

The audit evidence must be submitted in accordance with the deadline mentioned in the audit notification. Currently the evidence submission date is 90 days after the end of the audit period.

**3.4 ASSESSMENT ([SEE GUIDELINES UNDER SECTION 4.3](#))**

Once the pre-audit survey, RSAW(s) and evidence files are received, the compliance monitor will proceed with the audit assessment.

**Procedures:**

**1. *Prepare for the initial compliance monitor administrative review***

The compliance monitor will perform an initial administrative review to verify that the submitted files include the completed pre-audit survey, that the completed RSAWs provide hyperlinks to appropriate evidence documents for each applicable requirement request, that the evidence is in the proper format(s), and that the evidence documents are related to the requirement request.



If there are missing components to the submission, the registered market participant will be contacted via email and be requested to submit, within five business days, the necessary documents to bring the submission to its requirements. Please note that this turnaround is not part of the typical audit schedule and may cause the audit timeline to extend.

**2. *If required, inform the compliance monitor of any possible scheduling constraints***

Once the administrative checks are complete, the auditor will review the documents and send via email a tentative schedule of when possible further information requests may occur. The tentative schedule will be based on standard areas (CIP, PRCs, etc.). There are no guarantees, and the schedule may change as required by the auditor.

If the registered market participant has any scheduling constraints, they should inform the auditor at this time. The compliance monitor will do its best to accommodate any reasonable requests.

**3. *Respond to any additional information requests***

As the auditor reviews evidence there may be a need to request additional information, additional information requests will be sent via email or SharePoint using a template. The registered market participant will be given two or five business days to respond by completing the template. Two business days are given for non-sampling requests and five business days for sampling requests. AESO's sampling method is based on NERC's sampling guideline.

If the registered market participant has any questions regarding the information request, they should contact the compliance monitor audit contact as soon as possible after receiving the request.

**3.5 POST ASSESSMENT (SEE GUIDELINES UNDER SECTION 4.4)**

Once the audit assessment is complete, a draft report will be issued for the registered market participant's comment. Upon receipt of the registered market participant comments on the draft report, a final report will be issued and the compliance monitoring audit is considered closed. Normally, a market participant will receive one draft report. In exceptional circumstances, an addendum could be issued for changes that materially change the content of the report. Market participant will be given an opportunity to comment on the addendum.

**Procedures:**

**1. *Receive and review the draft audit report***

The draft report is consistent with ISO rule 103.12.9.3 and includes the following:

- a. description of objective, scope and methodology of compliance monitoring audit;
- b. any suspected contraventions;
- c. any mitigation or remedial action measures as submitted by the registered market participant to the MSA;

- d. the nature of confidential information.

## **2. Meet with the auditor to discuss the draft audit report**

When the draft audit report is sent, the compliance monitor will propose a date and time for a post-audit conference call. This call is optional, and it is intended to support the MPs understating of the suspected contravention. Upon receipt of the proposed date and time, the registered market participant should either accept the proposed date and time, propose an alternate date and time or decline the request by replying to [rscompliance@aeso.ca](mailto:rscompliance@aeso.ca).

## **3. Comment on the draft report**

The registered market participant will be given 10 business days to comment on the draft report. If addendum to the draft report is issued. Market participant will be given an opportunity to comment on the addendum. Comments are entered directly on the draft audit report in the space provided. All comments will be brought forward and will appear verbatim in the final report.

## **4. Prepare for possible commenting on changes to the draft report**

The compliance monitor will review the registered market participant comments and determine whether further review is required. The registered market participant will be notified if it is determined that previously submitted evidence will be reviewed. Additional information requests may be deemed necessary. Should the review result in revised audit findings or a significant change in the draft report, a new draft report or an addendum to the draft report will be issued. The registered market participant will be given additional business days to review and comment on the changes. The additional number of business days will range from two to ten depending on the nature and quantity of changes made.

## **5. Receive the final report**

The compliance monitor will issue a final report and send it to the officer of the registered market participant as indicated on their registration form.

Once the final report has been issued, the audit process as described in this guide is considered closed.

## **6. Receive a copy of the MSA referral**

Once the final audit report has been issued to the market participant, the compliance monitor will refer any suspected contraventions to the MSA. The officer of the registered market participant as shown on their registration form will receive a copy of the referral.

### **3.6 RETENTION ([SEE GUIDELINES UNDER SECTION 4.5](#))**

#### **Procedure:**

#### **1. Keep a copy of the evidence files**

The AESO is required to establish a Records Management Program that accords with the policies, standards and procedures established by the Minister of Service Alberta under the authority of Section 4(2) of the Records Management Regulation (RMR), and in accordance with its Records Management Policy and applicable

legislation to keep a copy of the evidence on file for a maximum of ten years unless a different retention period is required by a reliability standard or by an applicable regulatory entity.

## 4. Guidelines

The purpose of this section is to give registered market participants information on the guidelines related to a compliance monitoring audit. Procedures related to the guidelines are given in section 3.

### 4.0 COMPLIANCE MONITORING AUDIT OVERVIEW ([SEE PROCEDURES IN SECTION 3.0](#))

1. The compliance monitoring audit process is part of the broader compliance monitoring and enforcement mechanism utilized by the compliance monitor and the MSA.
2. The compliance monitor will perform audits of registered market participants to evaluate compliance with requirements identified in the reliability standards.
3. The scope of the compliance monitoring audit will not extend beyond the bounds of compliance monitoring relative to reliability standards.
4. There are two types of compliance monitoring audits, namely scheduled audit and spot audit.
5. The scheduled audits and spot audits are normally carried out at the compliance monitor's offices; however, under some circumstances, performing audits at the registered market participant's office/operating premises (on-site audit) will be required, at the discretion of the compliance monitor, to supplement the scheduled or spot audit. Those circumstances will include, without limitation, the following:
  - a. The audit evidence cannot be presented in electronic documents or papers.
  - b. The assessment on awareness/knowledge of the operational personnel is required.
  - c. The auditor cannot reasonably assure the assessment of compliance based on the submitted documents; therefore, direct observation and inspection on site is required.
  - d. An on-site audit is explicitly prescribed by the reliability standard.
  - e. An on-site audit is directed by the MSA or the Commission.

- f. An on-site audit is requested by the registered market participant.
6. The compliance monitor will specify in the notification letter if an on-site audit is required.
  7. The compliance monitoring audits conducted by the compliance monitor will be done on a confidential basis.

The confidentiality of evidence submitted to the compliance monitor under the *Alberta Reliability Standards Compliance Monitoring Program (CMP)* is governed under ISO rule 103.1 and ISO rule 103.12. As identified in ISO rule 103.12.6 confidential information obtained pursuant to ISO rule 103.12.6 will be made available to either or both of the Commission (AUC) or the MSA as identified in ISO rule 103.12.11 and may be used by either or both of those bodies.

#### 4.1 **SCHEDULES ([SEE PROCEDURES IN SECTION 3.1](#))**

##### 4.1.1 **Developing the Schedule**

1. The compliance monitor will develop the audit schedule for all registered market participants with the exception of the ISO.
2. The compliance monitor will post the audit schedule on the compliance monitor website which will document the current calendar year and the two calendar years following for a total of three years. The posted audit schedule will list each registered market participant (with the exception of the ISO), the audit year, and the audit quarter. Notification of the posting of the audit schedule will be included in the AESO's Stakeholder Newsletter.

##### 4.1.2 **Changes to the schedule**

1. A change to the audit schedule may occur under the following circumstances:
  - a. Based on the posted audit schedule, a registered market participant identifies that the audit schedule for their entity may conflict with other business activities.
  - b. Based on the posted audit schedule, a registered market participant identifies a significant interdependency exists with a non-related registered market participant(s) and as such, the two or more registered market participants are required to be audited in the same audit year and quarter.
  - c. Within seven days of the receipt of the audit notification, a registered market participant identifies the audit schedule for their entity may conflict with other business activities.

- d. A change to the audit schedule due to change in the *Alberta Reliability Standards Registry*, such as the addition or deletion of a registered market participant.
2. A registered market participant may request a change to the audit schedule for consideration by the compliance monitor at any time prior to or within seven days of the receipt of audit notification. Where a request to change the audit schedule is based on item “b.” above, the affected registered market participants may submit a joint request to the compliance monitor. Each request should be made in writing detailing the proposed date the registered market participant would like to move the audit to and justification for the request. The compliance monitor will consider the request and may decide to change the audit schedule provided that the justification is reasonable, and the compliance monitor has resources available to accommodate the change.
3. A request to delay a scheduled audit or spot audit for more than six weeks will only be given consideration by the compliance monitor in exceptional circumstances that are beyond the market participant’s control.
4. The compliance monitor will notify registered market participants of a schedule change as follows:
  - a. Where changes to the audit schedule have occurred due to a request for change from a registered market participant(s), the compliance monitor will notify the primary compliance contact of the registered market participants directly affected by the change within 10 days of the completion of the review of the request for change.
  - b. Where changes to the posted audit schedule have occurred due to changes in the Alberta Reliability Standards Registry, the compliance monitor will provide notification of the change to the audit schedule to the primary compliance contact of the affected registered market participant(s).
  - c. Where changes have occurred to the audit schedule, the compliance monitor will update the web posting by the end of each calendar quarter and notify market participants of the update in the AESO’s Stakeholder Newsletter.

## 4.2 **PRE-ASSESSMENT** ([SEE PROCEDURES IN SECTION 3.2](#))

### 4.2.1 **Audit Notification**

1. The compliance monitor will notify the registered market participant of the impending compliance monitoring audit in writing. Notifications are at least 30 days prior to commencement of a scheduled audit and at least 20 days prior to commencement of a spot audit.

2. The audit notification letter will describe the details of the audit and requirements including, with no limitation, the following:
  - a. the type of audit to be conducted – scheduled or spot,
  - b. the anticipated start date of the audit assessment,
  - c. the due date for the audit evidence submission to the compliance monitor,
  - d. the objective and scope of the audit including the specific reliability standard(s) to be audited and the period subject to audit,
  - e. the pre-audit survey, to be filled out and submitted with the evidence,
  - f. the compliance monitor’s audit team contact information including, but not limited to, the primary audit contact,
  - g. the expected location of the audit – i.e. at the compliance monitor’s office or the registered market participant’s offices/operating premises.
  
3. In the event the audit location has been determined to be required at the registered market participant’s offices/operating premises, the specific logistics requirements will be provided in the audit notification. The audit notification letter will describe the details of the site requirements including, with no limitation, the following:
  - a. a meeting room for the opening and closing discussion with a computer driven projector and a projection screen or white wall if a screen is not available,
  - b. a meeting room for the audit team to work and conduct interviews, providing:
    - o power outlets and internet access available to connect the laptop computers of all the team members,
    - o enough space for all the team members and the audited entity’s personnel being interviewed,
  - c. access to printing, faxing, and copying,
  - d. a proposed date and time for a pre-audit conference call,
  - e. significant dates which will always be a business day including:
    - o the date the audit notification letter is issued,
    - o the anticipated start date of the audit,
    - o the due date of audit evidence submission.

#### 4.2.2 Pre-audit conference call

1. The compliance monitor will offer to provide a one to two hour pre-audit conference call between the registered market participant and the compliance monitor. The purpose of this call is to review the audit procedures and expectations of both entities and to answer any general questions that the registered market participant may have in relation to the compliance monitoring audit. This call will also allow both the registered market participant and the compliance monitor to establish audit contacts.
2. The compliance monitor will provide a proposed date and time for the pre-audit conference call in the audit notification letter. The registered market participant may choose to accept the proposed time suggested in the audit notification or may request to move the pre-audit conference call to an alternative time by contacting the audit contact noted in the audit notification letter. The registered market participant may choose to decline the pre-audit conference call.
3. The pre-audit conference call will typically be held with the audit contact from the compliance monitor and with individuals selected by the registered market participant to be in attendance. Other compliance monitor personnel may also be present. The anticipated audit start date will not be delayed due to the inability to arrange suitable timing for the pre-audit conference call.

#### 4.2.3 Submit audit evidence to the compliance monitor

1. The registered market participant will submit the audit evidence to the compliance monitor by the date specified in the notification letter.
2. Evidence files should be submitted in XLSX, XLS, TXT or CSV, audio and video files like WMA, WMV. Any files containing viruses, macros or encryption will be rejected. Should the registered market participant have a business process which requires encryption, they should contact the compliance monitor audit contact as shown in the notification letter.
3. The preferred submittal method is through AESO's SharePoint portal. Backup submittal methods include:
  - a. Electronic submittal – data submitted electronically through an email must be transmitted to [rscompliance@aeso.ca](mailto:rscompliance@aeso.ca) on or before 11:59 p.m. MPT (Mountain Prevailing Time) on the due date specified. An electronic record of the submission must be retained as proof of timely submittal by the compliance monitor and by the registered market participant. The registered market participant will receive an automated response to its submittal when the email is received by the [rscompliance@aeso.ca](mailto:rscompliance@aeso.ca) inbox.
  - b. Physical submittal of hardcopies or electronic storage devices using mailing services like Canada Post, FedEx, UPS, DHL, etc. – physical data submittals which are submitted by a federal or commercial mailing service must be postmarked on or before the due date specified.
  - c. Physical submittal of hardcopies or electronic storage devices through personal delivery – physical data submittals personally delivered to the offices of compliance monitor by the registered market participant must be

received at the compliance monitor office by the close of business on the date specified. The compliance monitor's office hours are between 8 a.m. to 5 p.m. MPT (Mountain Prevailing Time).

4. The registered market participant will use the applicable Reliability Standards Audit Worksheets (RSAW) to provide links to the evidence documents and submit the RSAW(s) to the compliance monitor with the evidence. The evidence document links or the embedded evidence files should be provided next to each applicable requirement request in the RSAW's "Evidence" column. The "Evidence Description" column may be used by the market participant to provide further detail on the evidence location (such as page or paragraph). The "Evidence Description" column should not be used to provide additional evidence.
5. The registered market participant will fill out the provided pre-audit survey and submit the pre-audit survey to the compliance monitor with the evidence. Currently, the submission deadline is 90 days after the end of the audit period.

#### 4.3 **ASSESSMENT** ([SEE PROCEDURES IN SECTION 3.3](#))

##### 4.3.1 **Administrative review**

1. Prior to commencing the assessment of the audit evidence for an audit, the compliance monitor will perform an initial administrative review of the submission to identify that:
  - a. The submission includes all audit evidence as specified in the appropriate RSAW(s).
  - b. The audit evidence is related to the reliability standard(s) being audited and audit period as specified in the audit notification letter.
  - c. The pre-audit survey and RSAW(s) appear complete.
  - d. The audit evidence is presented in the requested format(s).
2. Where the submitted evidence does not satisfy the above checks, the compliance monitor will notify the registered market participant in writing and give five business days to bring the evidence to its requirements. Where no audit contact was identified, the notification will be issued to the primary compliance contact.
3. If the registered market participant fails to re-submit the audit evidence within five business days, the compliance monitor will utilize the earlier submission to make an assessment where appropriate.
4. Once the administrative checks are complete, the compliance monitor will review the documents and send via email a tentative schedule of when possible further information requests may occur. The tentative schedule will be based on standard areas (CIP, PRCs, etc.). There are no guarantees, and the schedule may change as required by the auditor.



5. The registered market participant should inform the compliance monitor if there are any scheduling constraints. The compliance monitor will do its best to accommodate any reasonable requests.

#### 4.3.2 Additional request identified in the RSAW

1. Where an additional request for audit evidence is identified in a Reliability Standard Audit Worksheet (RSAW), for example where the initial audit evidence submission is required prior to a secondary request for specific samples to be selected by the compliance monitor, the compliance monitor will notify the registered market participant in writing and give five business days to provide the additional audit evidence. Where no audit contact was identified, the notification will be issued to the primary compliance contact. In the event the sample selected results in significant audit evidence and the market participant is unable to meet the proposed deadline, the registered market participant should contact the audit contact for the compliance monitor, as noted in the audit notification letter, and provide an alternate timeframe for their submission.
2. Failure to submit complete audit evidence may be considered as a suspected contravention and will be noted in the audit report and may be referred to the MSA.

#### 4.3.3 Assess audit evidence

1. Upon the completion of the administrative review, the compliance monitor will commence the assessment of the audit evidence that is considered complete and related to the requirement(s) or reliability standard(s) being verified. The anticipated start date for the audit assessment will be included in the audit notification letter.
2. The compliance monitor will review the evidence submitted by the registered market participant using the assessment steps outlined in the applicable RSAW to verify the evidence submitted demonstrates compliance with the reliability standard(s) being audited. RSAWs are guidelines only and do not limit the scope of the assessment.
3. During the evidence assessment, assessment steps in addition to those outlined in the applicable RSAW may be required depending on circumstances including:
  - a. Where the compliance monitor has requested other corroborating evidence addition to the evidence documented within the RSAW to ensure the risk of an inappropriate conclusion is reduced to a low level.
  - b. When an issue, based on the audit evidence, has been identified in terms of appropriateness, sufficiency, and interpretation, the compliance monitor will pursue the matter with the audit contact of the registered market participant by emails, telephone calls, enquiry in person (for on-site audit), or any combination of these. Where no audit contact was identified in the pre-audit conference call, the compliance monitor will contact the primary audit contact provided on the Alberta Reliability Standards Registration

Form (“registration form”).

4. If the submitted audit evidence is assessed/deemed as incomplete or inadequate, the compliance monitor will inform the audit contact of the registered market participant in writing and give two business days notice for the market participant to provide additional information adequate to support compliance. Where no audit contact at the registered market participant was identified in the pre-audit conference call, the compliance monitor will contact the primary compliance contact provided on the registration form. If the request for additional information is significant and the market participant is unable to meet the proposed deadline, the registered market participant is requested to inform the compliance monitor audit contact as noted in the audit notification letter and provide an alternate timeframe for their submission.
5. Where the additional information has been requested and has not been provided to the compliance monitor, or if the additional information submission does not support compliance to the applicable Alberta reliability standard(s) or requirement(s), the compliance monitor will utilize the evidence available to make their assessment and note the insufficiency of evidence in the audit report. This may be considered a suspected contravention and noted in the audit report for referral to the MSA.
6. Where additional information requested has not been received by the compliance monitor within the requested time frame, the additional information submitted outside the negotiated timing or outside of the audit timeframe may not be assessed and may be treated as a suspected contravention. The registered market participant will have an opportunity to provide an explanation in their response/comments to the draft audit report.
7. The RSAW template will be used to document the compliance monitoring audit findings during the assessment of audit evidence submitted by the registered market participant. The completed RSAW will identify the compliance evidence submitted by the registered market participant obtained during the audit, document the assessment findings made by the compliance monitor, and identify areas within the submitted evidence which support the conclusions reached during the compliance monitoring audit or identify where no evidence was received.

#### **4.3.4 Prepare and issue the draft audit report**

1. The compliance monitor will prepare a draft audit report consistent with ISO rule 103.12.9.4 based on the assessment findings documented in the completed RSAW.
2. The compliance monitor will finish the draft audit report within 20 business days of the substantial completion of the audit.
3. The compliance monitor will provide the draft audit report in writing to the audit contact for the registered market participant for comment. Where no audit contact was identified in the pre-audit conference call, the draft audit report will be issued to the primary compliance contact listed on the registration form.
4. In addition to the draft audit report, the compliance monitor will provide a proposed date and time for a post-audit conference call.

#### 4.4 POST-ASSESSMENT ([SEE PROCEDURES IN SECTION 3.4](#))

##### 4.4.1 Post–Audit Conference Call

1. The compliance monitor will offer to provide a one-to-two-hour optional post-audit conference call between the registered market participant and the compliance monitor. The purpose of this call is to review the audit findings and to answer any general questions that the registered market participant may have in relation to the audit.
2. The compliance monitor will provide a proposed date and time for the post-audit conference call when communicating the draft audit report. The registered market participant may choose to accept the proposed time suggested or may request to move the post-audit conference call to an alternative time by contacting the audit contact noted in the audit notification letter. The registered market participant may choose to decline the post-audit conference call.

##### 4.4.2 Review the draft audit report

1. The compliance monitor will provide the registered market participant with ten business days to review and submit their comments, if any, in writing to the compliance monitor before the compliance monitor finalizes the audit report. In the event the registered market participant is unable to provide their comments within the noted timeline, the registered market participant may request an extension of the due date for consideration. The request should be made in writing and include the new proposed timeline for submission and the justification for the request. The compliance monitor will work with the registered market participant to ensure a fair and consistent submission process.
2. The registered market participant may include comments relevant to the audit findings in the market participant comments section of the draft audit report. The registered market participant may also include:
  - a. the identification of evidence previously submitted which does not appear to have been reviewed or considered in support of the compliance monitor's findings, and
  - b. a different interpretation of an Alberta reliability standard or requirement which does not appear to have been reviewed or considered in support of the compliance monitor's findings.
3. The compliance monitor, upon receipt of the draft audit report, will review the registered market participant's comments and determine whether further review of the audit evidence is required. If it is determined that any audit evidence previously submitted was not reviewed or considered by the compliance monitor, the registered market participant will be notified by the compliance monitor that the previously submitted audit evidence will be reviewed. Additional information requests may be deemed necessary.

In the event a re-evaluation of previously submitted audited evidence is deemed appropriate, and results in revised audit findings or significant

changes to the draft audit report, a new draft audit report will be issued, and the registered market participant will be provided additional business days to review and submit their comments on the changes in writing to the compliance monitor. The additional number of business days will range from two to ten depending on the nature and quantity of the changes made.

4. Please note that this turnaround is not part of the typical audit schedule and will cause the audit timeline to extend.
5. The compliance monitor will include all comments (verbatim) provided to the compliance monitor by the registered market participant in the final audit report.

#### **4.4.3 Issue the final audit report**

1. The compliance monitor will finalize the report within ten business days of receipt of the registered market participant's comments on the draft audit report or of the last information request response, whichever is later, and provide the final report to the registered market participant. Where no comments have been received, and no request for extension has been received, the compliance monitor will proceed to finalize the audit report and provide the final report to the registered market participant. The final audit report will be issued to the officer of the entity as listed on the registered market participant's registration form or to the senior officer (e.g. Chief Executive Officer, Chief Operating Officer) of the registered market participant where a registration form has invalid information or the registration form has not been submitted to the compliance monitor. A copy of the final audit report will also be sent to the audit contact.
2. Once the final audit report is issued to the registered market participant, the audit process as described in this guide is considered closed.

#### **4.4.4 Referral to the Market Surveillance Administrator (MSA)**

1. Where, as a result of the compliance monitoring audit and documented in the final audit report, the compliance monitor has identified that there is a suspected contravention, the compliance monitor will refer the matter to the MSA through the referral process in accordance with ISO rule 103.12.11. Referrals will be issued on a confidential basis and may include confidential information obtained during the compliance monitoring audit. The final audit report will be made available to the MSA.
2. The compliance monitor will notify the registered market participant when a suspected contravention is referred to the MSA in accordance with ISO rule 103.12.11. The copy of the referral to the MSA will be issued to the officer of the entity as listed on the registered market participant's registration form or to the senior officer (e.g. Chief Executive Officer, Chief Operating Officer) of the registered market participant where a registration form has invalid information or the registration form has not been submitted to the compliance monitor.

#### 4.5 RETENTION ([SEE PROCEDURES IN SECTION 3.5](#))

##### 4.5.1 Retention of the audit evidence

1. The compliance monitor will maintain all records associated with a compliance monitoring audit. The associated records management will provide for a routine and orderly process for the retention and disposal of electronic and paper records related to the audit. Information and data generated and received related to activities associated with the audit may be retained for a maximum of ten years unless a different retention period is specified in a reliability standard or by an applicable Regulatory entity. This is consistent with AESO's Records Management Policy and applicable legislation.
2. The compliance monitor will retain the audit evidence that may be used to substantiate a suspected contravention or is contemplated to be used for enforcement process, legal proceeding or hearing if it is deemed necessary.

## 5. Related Documents and Revision History

### 5.0 RELATED DOCUMENTS

Documents referenced in this guide can be found by clicking on the following website page links and selecting corresponding section header, if any, then the document link:

[Alberta Reliability Standards Compliance Monitoring Program](#)

[ISO Rule 103.12](#)

[ISO Rule 103.1](#)

[Alberta Reliability Standards Registry](#) (Section header: Registration)

[Consolidated Authoritative Document Glossary](#)

### 5.1 REVISION HISTORY

This document is a compliance monitor information document and guide, and not a compliance monitor authoritative document. Revisions to this document may be made from time to time by the AESO Compliance group. Registered market participants will be notified of revisions through the AESO Stakeholder Newsletter.

Revision	Date	Comments
1.0	April 5, 2011	Initial version of the Audit Guideline
2.0	October 23, 2012	Name change to "guide". Updated format separating procedures and guidelines

2.1	December 18, 2012	Removed references to the Evidence Identification Document and replaced with the use of RSAWs as an index to evidence. Added the use of the pre-audit survey.
2.2	October 30, 2013	Updated ISO Rule 12 references.
2.3	September 13, 2022	Changes made based on the ARS Enhancement Initiative