

Top 5 Challenges When Preparing for a NERC Audit

Top 5 Challenges When Preparing for a NERC Audit (And How to Overcome Them)

Preparing for a NERC (North American Electric Reliability Corporation) audit can be daunting for any registered entity. With evolving standards, complex infrastructure, and a high bar for compliance, organizations must stay sharp to maintain reliability and avoid costly violations.

These audits assess compliance with Critical Infrastructure Protection (CIP) and Operations & Planning (O&P) standards, which are vital for the security and reliability of the North American bulk power system. Below, we explore the top five NERC audit challenges and practical strategies to overcome them.

1. Evidence Management & Traceability

One of the most common audit pitfalls is poorly managed evidence. Organizations often store compliance evidence across disparate systems like SharePoint, inboxes, spreadsheets, and file servers. This fragmentation leads to version control issues, multiple copies of the same document, outdated documentation, and gaps between the evidence, RSAW narratives, and actual practices.

Solution: Implement a [centralized compliance management platform](#) like AssurX or similar tools to streamline evidence collection. These platforms ensure audit trails, automate documentation updates, and improve traceability, aligning your evidence directly with NERC requirements.

2. Weak or Outdated RSAWs

The [Reliability Standard Audit Worksheets \(RSAWs\)](#) serve as your narrative to the auditor. If they're poorly written, missing information, or copy-pasted from previous audits, your audit defense weakens considerably.

Solution: Treat RSAWs as dynamic, living documents. Assign owners to each RSAW and establish a regular cadence for reviews—at least quarterly. Keep language clear, concise, and contextual. Include all necessary fields such as responsible parties, update dates, and control effectiveness ratings.

3. Interview Readiness & SME Knowledge Gaps

Even strong documentation can fall flat if Subject Matter Experts (SMEs) can't confidently explain how controls work. Nervousness, undocumented tribal knowledge, and inconsistent terminology can derail interviews and shake auditor confidence.

Solution: Conduct mock audits and dry-run interviews. Encourage SMEs to practice explaining their controls in plain language that ties directly to NERC standards. Regular training and communication drills help reduce nerves and boost clarity during the actual audit.

4. Misaligned Audit Scope or Scope Creep

[Preparing for the wrong audit scope](#) is a surefire way to fall behind. Miscommunication, assumptions based on past audits, and last-minute additions—like CIP-013 or MOD-026/027—can lead to major setbacks.

Solution: As soon as the audit notification is received, clarify the audit scope internally. Align all teams and documentation efforts accordingly. Use updated internal trackers and risk assessments to ensure preparation matches the official audit scope exactly.

5. Overreliance on Consultants or Shadow Systems

While consultants can add value, relying too heavily on them—or using untracked shadow systems like rogue spreadsheets—creates knowledge gaps and misaligned documentation.

Solution: Ensure all compliance work is captured in your official systems of record. Encourage knowledge transfer from consultants to internal teams and phase out unofficial tools in favor of integrated compliance platforms.

Conclusion

NERC audit readiness isn't just a compliance checkbox—it's a strategic imperative. By proactively addressing these five common challenges, organizations can reduce risk, build stronger internal processes, and ensure smoother audits. Investing in continuous improvement, documentation discipline, and cross-functional alignment will ultimately lead to greater grid reliability and organizational resilience.