

**From:** [Richard Noble](#)  
**To:** [David Steele](#)  
**Subject:** Scope Summary RN Comment.docx  
**Date:** Sunday, January 25, 2015 11:30:20 PM  
**Attachments:** [Scope Summary RN Comment.docx](#)

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Hi,

Only one comment included really which will make life easier (! And you'd never thought you'd get that from me ;-)

Now... Providing they come up with the data we ask for... we can deliver the scope... but that's a big proviso.

If they don't provide the full data... which includes the schedules in Primavera and costs in detail... we wont be able to deliver.

But that's maybe tomorrow's battle.

Cheers,

R

Muskrat Falls Oversight Committee  
Scope of work discussion and EY recommendation  
January 2015

Scope of Work:

Conduct a review of project management processes and reporting mechanisms

Background/ objective

The Muskrat Falls Oversight Committee is accountable to Cabinet for providing reliable and transparent oversight on the cost and schedule performance of the Muskrat Falls Project.

The objective of this review is to assess the management processes and controls at the Muskrat Falls Project to give the Oversight Committee insight on the appropriateness of such processes and provide the Oversight Committee assurance as to the completeness and quality of information being provided to the Oversight Committee.

A scope of work that focuses on the interrelated processes of Cost, Schedule, Scope and Risk management and related Reporting process would provide a foundation for the Oversight Committee relying on the summary information reported to them by Nalcor.

Scope details:

- Perform an assessment of Cost and Schedule management processes and controls, and related reporting
- Assess methodology for calculating and reporting Cost and Schedule
- Review the results of the Nalcor IA Scope (Change Management) and Risk Management Audits for reliance

Limitations on scope and notes on this scope of work:

- The estimating and cost baseline process will not be assessed, as this would have been satisfied as the result of the DG3 approval process and approval of the June 30, 2014 update.
- EY will not conduct a review of the Scope (Change Management) and Risk Management processes, as IA is conducting reviews of these processes. EY will review the work of IA and place reliance where appropriate – reports are expected to be released in Jan/ Feb 2015
  - o However, in order to complete this scope of work, EY will require access to Scope (Change Management) and Risk logs/ registers, regardless of IA scope.
- In reporting as part of this scope of work, the focus will be on the assessment of processes, controls and reporting. Specific risks or scope log/ register items will not be detailed in the report.

Limitations/ Risks:

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**Deleted: Review Objective:**

<#>Assess the completeness and accuracy of the Cost and Schedule information being reported by Nalcor to the OC

<#>Assess Nalcor’s Methodology for calculating and reporting Costs and Schedule

**Rationale for recommending this as an initial scope of work:**

Level of information provided to the OC on a monthly/ quarterly basis does not provide the ability to independently assess Cost and Schedule performance.

A scope of work that focuses on the interrelated processes of Cost, Schedule, Scope and Risk management and related Reporting process would provide an underlying foundation for relying on the summary information reported to the OC (i.e. that the processes used to generate that information are designed effectively and are operating effectively to report complete and accurate information to the OC).

Without either (a) an increased level of detail in the periodic information supplied to the OC or (b) the performance of the Scope of Work proposed below, the OC has limited ability to confidently rely on the information reported and independently report on Cost and Schedule performance.

**Scope details:**

<#>Confirm the completeness and accuracy of the cost and schedule information reported to the OC (current and forecast)

<#>Confirm the integrity and suitability of the processes and methodology for calculating and reporting Costs and Schedule

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**Deleted:** <#>Review scope (change management) and risk logs/ registers in relation to how they integrate in cost and schedule performance and reporting

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- Reduced ability to confirm accuracy or completeness of Cost and Schedule reporting due to inability to assess the processes that produce the Scope (Change Management) and Risk logs/registers. In addition, this limits the ability to understand and interpret the Change Management information.
  - Mitigation – EY will have the opportunity to review the results of IA’s Scope and Risk Management audits prior to EY reporting
- By focusing review to Schedule and Cost processes and not Scope (Change Management) and Risk Management processes, reviewers may not obtaining a sufficient understanding to adequately perform assessment and additional report dispute, iterations may occur
  - Mitigation – Nalcor to hold information session during kick off stage. In addition, hold multiple validation sessions with Nalcor throughout the assessment and reporting
- Upon completion of this scope of work, scope gaps remain around Scope (Change Management) and Risk Management
  - Mitigation - Complete a subsequent scope of work to bridge the gap

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Possible Scope Variations and recommendations:¶

Summary Scope Statement

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