

From: [Richard Noble](#)
To: [Martin, Craig \(CMartin@gov.nl.ca\)](mailto:CMartin@gov.nl.ca)
Cc: [Emiliano Mancini](#); [David Steele](#)
Subject: FW: LCP - Audit Programs - Schedule and cost
Date: Wednesday, February 25, 2015 10:15:00 PM
Attachments: [LCP - Audit Program - Cost Managment draft.docx](#)
[LCP - Audit Program - Schedule Management draft.docx](#)

Dear Craig,

Please see attached.

There's a further level of detail below this, but probably best to elaborate after we've gone through the processes/procedures underpinning this.

Could we do a call at 11:30 NL time tomorrow to discuss this and the implication for risk and scope.

(We can discuss the limitations in the Nalcor IA risk program and its implications for OC and its assessment activities.)

Very best regards,

Richard

LOWER CHURCHILL PROJECT (LCP)

AUDIT WORKPLAN - COST MANAGEMENT

1.0	Cost planning and development – the following items will be assessed:
1.1	How the initial cost objectives, assumptions and constraints were defined and approved for the Program as a whole
1.2	The definition and accuracy of the overall project budget
1.3	How cost of Nalcor major work packages and major contractors were estimated including: <ul style="list-style-type: none"> • Review of basis of estimate • Definition of target value for major contracts • Baselineing contractor costs and incorporation into the contract • Assumptions on cost allowances
1.4	How cost estimates were aggregated by work package in accordance with WBS
1.5	How cost risks were assessed and managed
1.6	How cost contingency was estimated
2.0	Cost Management and Maintenance – the following items will be assessed:
2.1	How costs of Nalcor major work packages and major contractors are monitored and controlled
2.2	How cost performances and variance analysis are reviewed for major contractors and work packages
2.3	How changes to cost baseline are managed
2.4	How project costs are forecasted
2.5	How data for cost progress reporting (actuals, forecasts, performance measurements) are gathered and reviewed
2.6	How reserve analysis to monitor status of contingency is conducted

LOWER CHURCHILL PROJECT (LCP)

AUDIT WORKPLAN - SCHEDULE MANAGEMENT

1.0	Plan & Schedule Development – The following items will be assessed:
1.1	How the initial schedule objectives were defined and approved for the Program as a whole
1.2	The definition of the overall program plan (at level 1, 2)
1.3	How the detailed planning process as a whole is executed both for Nalcor major work packages and major contractors including: <ul style="list-style-type: none"> • Definition of respective scheduling objectives & requirements • Scheduling guidance and support provided during schedule development • Schedule Review and Analysis • Schedule Integration (with other work packages) • Baselining the contractor schedule and incorporation into the contract • Baselining the integrated program plans
1.4	How activity resources and durations were estimated and integrated
1.5	How activity sequence, durations, resource requirements and schedule constraints were analyzed
1.6	How schedule float and critical paths were assessed
1.7	How schedule risks were assessed and managed
1.8	How schedule contingency was quantified
2.0	Plan & Schedule Management and Maintenance – The following items will be assessed:
2.1	How the schedules of Nalcor major packages and major contractors are monitored and controlled
2.2	How schedule performances and variance analysis are reviewed for major contractors and work packages
2.3	How schedule variations at level 4, 5, 6 are integrated in the project control schedule
2.4	How corrective actions and change requested are managed
2.5	How data for schedule progress reporting (actuals, forecasts, performance measurements) are gathered and reviewed