

From: [David Steele](#)
To: [Richard Noble](#)
Subject: RE: List of Requested Documents
Date: Wednesday, March 18, 2015 10:44:32 PM
Attachments: [image001.jpg](#)
[image002.png](#)

Thanks Richard,

And not to mention, they are foundational items that the OC should have had access to from the outset.

Dave

From: Richard Noble
Sent: Wednesday, March 18, 2015 6:34:04 PM
To: Emiliano Mancini
Cc: CMartin@gov.nl.ca; David Steele
Subject: RE: List of Requested Documents

Dear Craig,

I talked this over with Emiliano.

Each of these docs (Engineering Management, Procurement Management, Construction Management and Quality Management etc) do indeed contribute directly to potential cost /schedule drivers and overall cost/schedule management. They were identified as supplementary information he was requesting based on the material received to date.

However, I appreciate that we've made some headway with Mark and his IA team and want to keep that momentum. As such, these can be explicitly excluded from the scope of the audit, noted as a limitation and included in future reviews or audits.

Perhaps a note to Mark saying:

"Dear Mark,

While the items requested do contribute directly to visibility into overall cost drivers and cost management on the program as Emiliano says, I can understand your concern that we don't expand too far from the core focus of the audit (particularly given the progress that the team has made.)

We can note these documents as being excluded from this current assessment and look at including these topics in future joint audits, particularly if symptoms of problems show up in cost or schedule variances reported on the project.

We're looking forward to the field work getting underway and working with you going forward"

Hope this helps.

Richard

From: MBradbury@nalcoreenergy.com [mailto:MBradbury@nalcoreenergy.com]
Sent: Wednesday, March 18, 2015 3:02 PM
To: Emiliano Mancini
Cc: alisonball@nalcoreenergy.com; JamesMeaney@lowerchurchillproject.ca; Richard Noble; CMartin@gov.nl.ca
Subject: RE: List of Requested Documents

Hi Emiliano

When I reviewed your proposed audit program, I didn't get the impression that it entailed work scope as you have suggested in red below. For example, I do not recall seeing a step or steps that call on the auditor to conduct an assessment of the Quality Management Plan to determine the robustness of that plan in terms of quality control and the Plan's ability "to ensure that project deliverables and works meet the requirements for final acceptance". If I had, I would have suggested that work of that nature was outside the intended scope of this audit. I would have similar comments in respect to the other management plans listed here. I don't see it as an objective of this audit to be assessing our processes as they relate to engineering, construction, procurement or stakeholder communications. This to my mind broadens the scope of this audit considerably and strays into certain intended audit scopes of Internal Audit. My understanding was that the main focus of this audit would be our management plans for project controls, which encompass cost tracking, budgetary control, contingency management, cost reporting and project scheduling. I did not think it entailed an examination of our controls/processes around all cost drivers for the project.

I am copying Craig on this communication in case I am off-base here.

Mark



Mark Bradbury
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You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

From: Emiliano Mancini <emiliano.mancini@ca.ey.com>
To: "MBradbury@nalcoreenergy.com" <MBradbury@nalcoreenergy.com>
Cc: "alisonball@nalcoreenergy.com" <alisonball@nalcoreenergy.com>, "JamesMeaney@lowerchurchillproject.ca" <JamesMeaney@lowerchurchillproject.ca>, Richard Noble <richard.noble@ca.ey.com>
Date: 03/18/2015 01:12 PM
Subject: RE: List of Requested Documents

Hi Mark,

Although the plans below may not be directly related to cost and schedule, I think they will still support the cost/schedule management review.

Please see my comments in red below. Hope it helps.

Thanks.

Regards,



Emiliano Mancini | Manager | Advisory Services

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From: MBradbury@nalcoreenergy.com [<mailto:MBradbury@nalcoreenergy.com>]
Sent: Wednesday, March 18, 2015 6:53 AM
To: Emiliano Mancini
Cc: alisonball@nalcoreenergy.com; JamesMeaney@lowerchurchillproject.ca
Subject: Fw: List of Requested Documents

Hi Emiliano

I am still having difficulty understanding the relevance of many of these plans to the objectives

and original scope of this audit. I have scanned your proposed audit program and do not see any steps that would take us into an examination of the following management plans.

“Engineering Management Plan” (LCP-PT-MD-0000-EN-PL-0001-01)

“Procurement Management Plan” (LCP-PT-MD-0000-SC-PL-0001-01)

“Construction Management Plan” (LCP-PT-MD-0000-CS-PL-0001-01).

The 3 plans above will help understanding how engineering/procurement/construction are implemented and controlled to meet project deliverables for cost and schedule. They will also help to verify that engineering/procurement/construction activities are in line with execution strategy and fit within the constraints of the overall project cost and schedule. It is to be noted that the PEP includes a section on engineering/procurement/construction approach (section 5), which is quite high level. In that section reference is made to the 3 plans above for more details.

“Communications and Stakeholder Relations Management Plan” (LCP-PT-MD-0000-CO-PL-0001-01)

It will help understanding how cost/schedule information are communicated to stakeholders (e.g.: type of reports, their frequency, information to be communicated, to whom...) as well as stakeholders role and influence around cost/schedule decisions.

“Overarching Quality Management Plan” (LCP-PT-MD-0000-QA-PL-0001-01)

Quality may significantly impact project cost and schedule performance, therefore it will be helpful to look at the plan to control quality as well as the plan to ensure project deliverables and works meet the requirements for final acceptance.

Mark



Mark Bradbury

Manager Internal Audit

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----- Forwarded by Mark Bradbury/NLHydro on 03/18/2015 08:12 AM -----

From: Alison Ball/NLHydro
To: Mark Bradbury/NLHydro@NLHydro
Date: 03/17/2015 03:55 PM
Subject: Fw: List of Requested Documents

Please see list below - still quite extensive.

If you are ok with this list, I will finalize my list for Jim.



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----- Forwarded by Alison Ball/NLHydro on 03/17/2015 03:54 PM -----

From: Emiliano Mancini <emiliano.mancini@ca.ey.com>
To: "alisonball@nalcorenergy.com" <alisonball@nalcorenergy.com>
Date: 03/17/2015 03:53 PM
Subject: RE: List of Requested Documents

Hi Alison,

Please see below the list of management plans we'd like to request to get uploaded in the data room. I think these plans, either directly or indirectly, will support the cost/schedule management review. Mark B was also asking about this list. Do you want me to send the list to him as well or will you connect with him directly?

Thank you.

"Project Risk Management Plan" (LCP-PT-MD-0000-RI-PL-0001-01).

"Project Controls Management Plan" (LCP-PT-MD-0000-PC-PL-0001-01).

"Project Finance and Accounting Management Plan" (LCP-PT-MD-0000-FI-PL-0001-01).

"Project Change Management Plan" (LCP-PT-MD-0000-PM-PL-0002-01).

"Work Planning Management Plan" (LCP-PT-MD-0000-PM-PL-0003-01).

"Communications and Stakeholder Relations Management Plan" (LCP-PT-MD-0000-CO-PL-0001-01).

"Engineering Management Plan" (LCP-PT-MD-0000-EN-PL-0001-01).

"Overarching Quality Management Plan" (LCP-PT-MD-0000-QA-PL-0001-01).

“Procurement Management Plan” (LCP-PT-MD-0000-SC-PL-0001-01).

“Contract Administration Plan” (LCP-PT-MD-0000-CA-PL-0001-01).

“Construction Management Plan” (LCP-PT-MD-0000-CS-PL-0001-01).

Regards,



Emiliano Mancini | Manager | Advisory Services

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From: alisonball@nalcenergy.com [<mailto:alisonball@nalcenergy.com>]

Sent: Tuesday, March 17, 2015 2:11 PM

To: Emiliano Mancini

Subject: RE: List of Requested Documents

Hi Emiliano,

Please provide me with your revised management plan list at your earliest convenience so that I can request to get these documents uploaded to the Data Room for you.

Regards,

Alison



Alison Ball, CPA, CA

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Internal Audit

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From: Emiliano Mancini <emiliano.mancini@ca.ey.com>
To: "alisonball@nalcorenergy.com" <alisonball@nalcorenergy.com>
Date: 03/17/2015 11:10 AM
Subject: RE: List of Requested Documents

Hi Alison,

With regard to #2 below, I recall we reviewed a long list of plans and then selected the ones relevant for the audit. Could you please provide me the list of selected plans?

Thank you.

Regards,



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From: Emiliano Mancini
Sent: Friday, March 13, 2015 2:22 PM
To: 'alisonball@nalcorenergy.com'
Subject: RE: List of Requested Documents

Hi Alison,

Please see my comment below in red.

Thanks and have a good weekend!

Regards,



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From: alisonball@nalcorenergy.com [<mailto:alisonball@nalcorenergy.com>]
Sent: Friday, March 13, 2015 11:46 AM
To: Emiliano Mancini
Subject: List of Requested Documents

Hi Emiliano,

I trust you had a good flight yesterday.

Mark Bradbury reviewed your list of requested documents and offers the following comments:

1. With respect to the requested information on the rolling cash flow (2.6) and the funds request (2.7), Mark feels that these documents are out of scope for the cost and schedule audit.

Rolling cash flow (2.6) was requested as it relates to cost forecasting processes. The PFA

Funding Request log (2.7) as well supports the review of cost management procedures (approval, tracking, risk..)

2. Mark is also questioning the necessity for all the management plans that were requested. He feels that including these documents could cause the scope of this audit to broaden considerably if you have intentions of delving into all of these unrelated management plan (environment as an example). Specific management plans directly related to cost and schedule such as project controls and change management would be relevant.

I think we can narrow down the list of plans to the ones that are more directly related to cost/schedule mgmt. We may request additional detail/plan at a later stage, if needed.

3. Financial statements appear to be out of scope.

They would be used to validate the financial figures reported on LCP (planned capital expenditure, cash flow, forecasting...)

If you feel the documents above will directly aid in the completion of your review, please provide us with an explanation as to the relevance.

Regards,

Alison



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