

From: [Emiliano Mancini](mailto:Emiliano.Mancini@ca.ey.com)
To: MBradbury@nalcoreenergy.com
Cc: alisonball@nalcoreenergy.com; [David Steele](mailto:David.Steele@nalcoreenergy.com); DouglasWoodford@nalcoreenergy.com; [Richard Noble](mailto:Richard.Noble@nalcoreenergy.com); StevePellerin@lowerchurchillproject.ca
Subject: RE: Proposed E&Y Comments for your review
Date: Tuesday, March 24, 2015 1:15:00 AM
Attachments: [image001.png](#)
[image002.jpg](#)

Hi Mark,

The validation of the results will be with Nalcor Internal Audit and probably it would be useful to involve also the Project Controls Manager, as key stakeholder.

Craig Martin is our point of contact within the Oversight Committee (OC) and we will keep him regularly informed as the review progresses. We will not involve directly the full OC.

With regard to the people to be interviewed, we selected the key resources/lead within the Project Controls organization chart, which includes the Change and Interface Lead and Lead Estimator. We will not re-audit change management (would it be possible to receive a copy of the audit results?) or audit Nalcor's estimating practices, but it may be useful to understand how they contribute to schedule/cost management, reporting and control.

The project managers have been selected as they are responsible for the overall delivery including cost and schedule management. They are also responsible for the completeness and accuracy of the information reported on cost and schedule.

I'd be happy to review this over the phone, if you wish.

Thank you.

Regards,



Emiliano Mancini | Manager | Advisory Services

Ernst & Young LLP
Ernst & Young Tower, 222 Bay Street, P. O. Box 251, Toronto, ON M5K 1J7 Canada
Phone: +1 416 943 4418 | Cell Phone: +1 647 455 0371
EY/Comm: 1636262 | Emiliano.Mancini@ca.ey.com

From: MBradbury@nalcoreenergy.com [<mailto:MBradbury@nalcoreenergy.com>]
Sent: Monday, March 23, 2015 8:29 PM
To: Emiliano Mancini

Cc: alisonball@nalconenergy.com; David Steele; DouglasWoodford@nalconenergy.com; Richard Noble; StevePellerin@lowerchurchillproject.ca
Subject: RE: Proposed E&Y Comments for your review

Hi Emiliano

Regarding the presentation, Slide 7 - we do not see the purpose of validation of results with the Oversight Committee. This step should be validation with Nalcor Internal Audit and maybe Craig Martin, but not the full Oversight Committee. In addition, I do not see why you need to interview the following people:

Change and Interface Lead - Change management has already been audited.

Lead Estimator - I did nto think that Nalcor's estimating practices were within the scope of this audit.

I wonder also about the need to interview the four Project Managers. What would be the subject of those interviews?

Mark



Mark Bradbury
Manager Internal Audit
Internal Audit
Nalcor Energy
t. 709 737-1253 c. 709 728-0775
e. MBradbury@nalconenergy.com
w. nalconenergy.com

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: "alisonball@nalconenergy.com" <alisonball@nalconenergy.com>
Cc: "MBradbury@nalconenergy.com" <MBradbury@nalconenergy.com>, "DouglasWoodford@nalconenergy.com" <DouglasWoodford@nalconenergy.com>, "StevePellerin@lowerchurchillproject.ca" <StevePellerin@lowerchurchillproject.ca>, Richard Noble <richard.noble@ca.ey.com>, David Steele <david.steele@ca.ey.com>
Date: 03/23/2015 06:03 PM
Subject: RE: Proposed E&Y Comments for your review

Hello Alison,

Thank you for your feedback. As discussed, please find attached the updated documents that incorporate your comments:

- Project review approach (slide 4 contains our comments, in green)
- Detailed workplan

I have also attached the preliminary list of people to be interviewed. We would like to start with Project Controls staff, then Project Managers and Project Director. Please note that this is a preliminary list and additional interviews may be required.

We were hoping to commence the field work next Monday, March 30th with the interviews and a kick off meeting, if required.

Thank you.

Regards,



Emiliano Mancini | Manager | Advisory Services

Ernst & Young LLP
Ernst & Young Tower, 222 Bay Street, P. O. Box 251, Toronto, ON M5K 1J7 Canada
Phone: +1 416 943 4418 | Cell Phone: +1 647 455 0371
EY/Comm: 1636262 | Emiliano.Mancini@ca.ey.com

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

Sent: Friday, March 20, 2015 1:50 PM

To: Emiliano Mancini

Cc: MBradbury@nalcenergy.com; DouglasWoodford@nalcenergy.com; StevePellerin@lowerchurchillproject.ca; Richard Noble

Subject: Fw: Proposed E&Y Comments for your review

Good afternoon Emiliano,

I have attached a copy of the draft cost and schedule engagement overview document as well as the draft detailed work plan that contain our comments. In addition, we propose the following questions:

1. Prior to the kick-off meeting, it would be beneficial to have greater detail on the schedule; particularly the timing of the execution of field work and the list of people to be interviewed.
2. This work plan appears to be quite detailed. Will 6 weeks be enough time to finalize this engagement?
3. When are you hoping to have the kick-off meeting?

I also wish to advise that our Project Director, Paul Harrington, is travelling overseas and has not had a chance to review the approach and proposed work plan documents. I will send along any comments that Paul may have early next week.

Regards,

Alison



Alison Ball, CPA, CA
Internal Auditor, Projects and Compliance
Internal Audit
Nalcor Energy
t. 709 570-5963
e. alisonball@nalcorenergy.com
w. nalcorenergy.com

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