

NLIS 3  
Natural Resources  
December 21, 2015

## Responsible Oversight

### Oversight Committee Releases Review of Muskrat Falls Project Cost and Schedule Management Processes and Controls

Today, the Muskrat Falls Oversight Committee released a review of cost and schedule management processes and controls related to the Muskrat Falls Project. The review, undertaken by EY, formerly Ernst & Young LLP, and Nalcor's response, is available at [www.gov.nl.ca/MFOversight/](http://www.gov.nl.ca/MFOversight/)

**"The Oversight Committee, comprised of senior government officials and formed in 2014, conducted a review of the Muskrat Falls Project cost and schedule management processes and controls. The consultant, Ernst & Young, indicated that Nalcor has core project management and control processes and an appropriate organizational structure in place with key roles staffed by individuals experienced in cost and schedule management. They also noted that Nalcor did not have all of their contractor schedule updates in the integrated project schedule and the fully quantified risks are not documented for certain challenges with the project."**

*- The Honourable Siobhan Coady, Minister of Natural Resources*

The scope of the review undertaken by EY included:

- an assessment of the adequacy of Nalcor's cost and schedule management processes and controls as it manages and reports on the execution of the project;
- consistency of Nalcor's use of those processes and controls in key areas of the project; and
- the extent of reliance the Oversight Committee could place on Nalcor's management reporting for cost and schedule forecasts.

**"EY stated that these matters must be addressed to verify that information being provided to the Oversight Committee is complete and accurate. Nalcor is cooperating fully and will adjust their reporting to meet the needs of the Committee."**

*- Minister Coady*

The Executive Summary Report and Nalcor's response are available at [www.gov.nl.ca/MFOversight/](http://www.gov.nl.ca/MFOversight/). The full report will be released following a review of commercial sensitivities.

QUICK FACTS:

- Today, the Muskrat Falls Oversight Committee released a review of cost and schedule management processes and controls related to the Muskrat Falls Project. The review undertaken by EY and Nalcor's response are available at [www.gov.nl.ca/MFOversight/](http://www.gov.nl.ca/MFOversight/)
- The consultant, EY, indicated that Nalcor has core project management and control processes and an appropriate organizational structure in place with key roles staffed by individuals experienced in cost and schedule management.
- EY also noted improvements to be made, such as ensuring that all of the contractor schedule updates are in the integrated project schedule and that the fully quantified risks are documented for certain challenges with the project. Nalcor is cooperating fully and will adjust their reporting to meet the needs of the committee.

- 30 -

Media contact:  
Diana Quinton  
Director of Communications  
Department of Natural Resources  
709-729-5282, 631-8155  
[dianaquinton@gov.nl.ca](mailto:dianaquinton@gov.nl.ca)

2015 12 21

2:15 p.m.