

From: jamesmeaney@lowerchurchillproject.ca
Sent: Tuesday, December 23, 2014 6:07 PM
To: Paul Harrington
Cc: Gilbert Bennett
Subject: Re: Oversight Committee

Hi Paul

Share your frustration. I believe Mark has audit of of LCP project controls and change management processes planned for Q1. We should get with him early week of Jan 5th when everyone back with the objective of making it his #1 objective and see if he can complete, with EY being part of it, and issue report late Jan / early Feb.

Regards

Jim

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Paul Harrington
Sent: Tuesday, December 23, 2014 9:50 AM
To: James Meaney
Cc: Gilbert Bennett
Subject: Fwd: Oversight Committee

I cannot fathom the point of this but it seems that they are hell bent on getting E and Y involved with no clear scope of work and this will end up as another complete distraction and an education of yet another so called expert consultant, who will be all theory and no practical experience.

So it is incumbent on us to define the scope of the review that will be conducted...preferably by Mark Bradburys team with E and Y reviewing the results.i.e marks team does the audit and E and Y do a review of the audit plan and results of the audit

Craig is out of his depth here and cannot manage E and Y and our only hope is to ensure the terms of reference and scope are clearly defined..including the exclusions from the review.

Craig tells me that the review is limited to project cost and schedule , specifically the processes and methods that support the reporting we provide to the OC. I.e the incurred cost amounts and the planned cost amounts. Similarly the schedule review would be how the planned and actual progress numbers are derived, in addition how the weighting for the elements of schedule reporting was calculated.

So if Craig is being straight with me (and I am not convinced he is or has any sway on the OC) then let's get Ed bush and George to get working on that and get prepared for explaining that in detail and also Ed and Tom to do the same with schedule. Basically working back from the cost and schedule tables we provide to the OC to show how this is built up and the processes and systems that support them.

So to break this down

Step 1 . Inform Ed bush, George and Tom of this requirement

Step 2 , ask Ed, George and Tom to prepare a draft terms of reference that will keep this review within reasonable riverbanks...agree the T o R and approach with the OC

Step 3 kick off the audit with mark and include EAnd Y in a review of the audit scope and plan

Step 4 conduct the audit and provide results for review by LCP , OC And EY

Quite frankly this is just about the final straw.

Sent from my iPad

Begin forwarded message:

From: "Gilbert Bennett" <GBennett@nalcoreenergy.com>

Date: December 22, 2014 at 7:47:35 PM NST

To: "Paul Harrington" <PHarrington@lowerchurchillproject.ca>

Subject: Re: Oversight Committee

Hi Paul,

It's Intensely frustrating; Ed relayed a similar conversation from the 8th flr to me today. I wasn't expecting you to get a call on this today, so I was going to leave well enough alone until the new year - apologies.

I understand from Ed they have agreed to coordinate this with Mark, so we should discuss with Mark at earliest convenience in new year.

I will be looking for clear terms of reference on this exercise, as FFC dud not come up in my chat with Ed.

Will call tomorrow..

G

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Paul Harrington
Sent: Monday, December 22, 2014 5:16 PM
To: Gilbert Bennett
Subject: Oversight Committee

I have just spent a very frustrating two hours with Craig Martin- The OC want to engage E&Y to conduct in what is, in all but name, an Audit of the Project Costs and Schedule processes and Final Forecast Costs. The Principles that we agreed to are being pushed aside - primarily the principle that the OC will not repeat work that has already been performed. and that we rely on the levels of assurance as per Mark Bradbury's audit plan.

The IE has reviewed our processes and every month provides a confirmation that the Cost and schedule forecasts are sound - MHI twice reviewed the cost and schedule processes and stated that they meet good utility practice and/or where best in PM class - Yet the OC want to have E&Y do the same thing, tying me and the team up and distracting us from what we need to be

doing - i.e managing our contractors. Of course Craig will say that this is not the intent but they cannot control E&Y and they will drive this deep into our Project Management business.

The conversation was going nowhere and the only way out of this is to ask Mark Bradbury to conduct and Audit of the cost and schedule processes that address the OC questions and the OC can then have E&Y review the Audit scope and results and provide input to the OC on the results.

We need to head this off and I suggest we get Mark to drop everything and conduct just such an audit asap - then we will be ahead of the OC - Craig hinted to me that would cause a lot of trouble and our CEO would be impacted but I suggest that this is our prerogative.

Pls call me tomorrow , I am royally annoyed , right now

Paul

Paul Harrington

Project Director

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