

## GLA Oversight Committee – 25 February 2016

### Transcript of Item 6: Garden Bridge Design Procurement

**Len Duvall AM (Chair):** Let us move on to Item 6, Garden Bridge design procurement, and welcome Keith Williams, who is the Chair of Transport for London's (TfL) Audit Assurance Committee. We have a number of set questions. They are primarily around our exchange of correspondence following on from further scrutiny hearings that we held into the procurement process.

Can we just begin with my question? Could you outline your role and that of the Audit and Assurance Committee: how you carry out that role within TfL?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** The Audit and Assurance Committee of TfL consists of six Board members. I Chair it and have chaired it for around three years. I have been a member of the Committee for a number of years. I guess I Chair it because my background is accountancy. I am a chartered accountant by background and have some audit experience. The role of the Committee I would say broadly falls into five areas. The first would be the review of the annual report and accounts, which I guess is not particularly relevant for you today. Secondly would be a review of the legal compliance and then a review of budgetary control, oversight of TfL's investment programme and then, finally, to look at TfL's approach in identifying and covering off fraud. We deal with the internal audit function obviously. We meet with the internal audit function every meeting. There are four meetings a year and we meet with the external auditors on occasion as well.

With the internal audit, I set the priorities for internal audit for 12 months ahead, so we are about to go through that at the moment in terms of setting what internal audit priorities should be for the next 12 months.

**Len Duvall AM (Chair):** I should have said in my opening remarks - just to set the mood since we last had our scrutiny meeting - three points that have become public. On 16 January 2016 the National Audit Office (NAO) report into this project said that the Chancellor [The Right Honourable George Osborne MP] avoided the official channels when deciding funding for the Garden Bridge scheme and the project may not have been approved in the normal processes that had been followed. I am saying this in the way of background. There is further information about what the NAO have said. Secondly, we had further information from Boris Johnson's office that on the famous or infamous trip to San Francisco - 24 hours in that city - he was accompanied by Thomas Heatherwick [CBE, RDI, English Designer and founder of Heatherwick Studio] in terms of the discussions that they had with a potential sponsor with Apple. Of course that is an important dateline issue, in terms of the procurement process. Then I suppose finally, on 9 February 2016, the Royal Institute of British Architects (RIBA) called for the Garden Bridge to be halted due to concerns about the procurement process. I think that is all public domain.

**Tom Copley AM:** One thing that troubles me about this process - and I know it troubles the whole Committee - is the shift in what the review seemed to be looking at. The focus between what was in the leaked earlier document and then the final document shifted from Sir Peter Hendy's [former Commissioner for Transport, TfL] original objective, which was to examine that the procurement process had been in accordance

with the procedures and had been open, fair and transparent, to looking at a 'value for money' conclusion, which seems to me to be answering a question that was not asked in the first place.

Have you ever seen a review that concluded on an issue that was not part of the original objectives? Under what circumstances would this occur?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I will give you my experience. An internal audit report will go through several drafts and iterations. What would normally happen is that the internal audit function would start to do their work looking at documentation. Then throughout the process they would involve more people in the audit report to get a sense of the background, the nuances of what was happening at the time. It is not unusual for an audit report to go through several drafts before it reaches the final report.

**Tom Copley AM:** Yes, I am sure that is true but that is not an answer to the question of why the focus shifts. Peter Hendy commissioned the report that would look at the procurement process to make sure if it was open, fair and transparent. Indeed, the leaked draft report, which is far more critical than the final report, fitted that original objective. My question is: why was there a shift to 'value for money', and is this something that you have seen before in any other audit report, the objective having shifted between the first draft and the final draft; not the facts of the case or the phrasing of it, the actual objective?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** What I think you saw when you met with the internal audit function, and I have spoken at length with the internal audit function, their belief is that the final report did bring out the issues that were identified in the original draft. What has changed is the emphasis of the report in some respects, but that is the way in which an audit report is put together: it interviews people; it gets an understanding of what has happened behind the report itself. It is not unusual for an audit report to bring that out. It is in discussion with the management who handle the issues at the time, so it is not unusual in my experience.

**Tom Copley AM:** This is not just a drafting --

**Len Duvall AM (Chair):** So you accept then that your Chief Internal Auditor believes the main findings of his report are included in the final report?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** You wrote to me on a very important issue, I think, which was the independence of the internal audit function, and I was very keen to send you a very early reply, because if the internal audit function is not independent then it calls into question the whole internal audit process. As it happened, the audit and risk assurance group were meeting the internal auditor on 8 December 2015. You wrote to me on 3 December 2015 and I was very keen to reply to you, based on the discussions that I had had, and we had as an internal audit group, with the internal auditor. He confirmed that that was his report and he stood by it in every respect.

**Len Duvall AM (Chair):** Right. Can I quote back what you told this Committee which is in direct conflict with the letter you have sent to this Committee? Clive Walker [Internal Audit Director at TfL] said on 21 October 2015 to us,

*"There was no procurement strategy to manage and deliver each procurement. There were informal bidders with individual bodies to each procurement. There was a lack of clear segregation of duties in the evaluation of TfL 90711 design services. No evaluation documentation has been retained by TfL commercial for the tender of TfL 90001 task 12, and the tender documentations held within TfL 9001 task 112 procurement file is incomplete."*

He then goes on to say,

*“Taking these points together they adversely impacted on the openness and objectivity of the procurement.”*

That was the short exchange where your chief auditor agreed that that was the case and that is what he said to this Committee. Therefore, he thinks that is in the body of the report and it is in the body of the report – that is why we are here – because the report is top and tailed and the main changes take place in the exec summary of the audit report. In the body of the report are the real details of where TfL broke their own procurement policy. The final bit is where the conclusion was written. That is the change where my colleague is trying to highlight what went on. What we cannot understand is why – if that is the case – your Audit Committee is not taking some of the problems internally within TfL a little bit more seriously.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I think you have asked two questions there. If I tackle the first one: I think the quotations that you give me are from the original draft of the audit report, which --

**Len Duvall AM (Chair):** No, it is in the main body of it as well.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** The words,

*“Taking these points together they adversely impacted on the openness and objectivity of the procurement.”*

was in the original draft report.

**Len Duvall AM (Chair):** Is that the bit that was taken out?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** That was taken out of the final report.

**Len Duvall AM (Chair):** OK.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** That was in the original draft. That original draft, on examination, included some inaccuracies that were taken out of the final report. If I go back, that is the nature of an audit process. An audit process --

**Tom Copley AM:** What were the inaccuracies?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** For instance, the audit process at the beginning looked at whether in the first procurement what they had had legal advice on 8 January 2013 about the legal process involved with the Garden Bridge, an Official Journal of the European Union (OJEU) process. That was quoted in the original report. When you look at the facts, there were two procurements involved. The original conclusion was incorrect so in the final report it was removed. When you go through an audit process you start with a document and, as you go through and find out exactly what happened, it is not unusual that that report changes, which takes you back to your original question.

**Tom Copley AM:** If I may press on this point again. I am not disputing that that will happen. I am not disputing that as you go through a process things will change because you uncover different information. What I cannot understand is why the report made a conclusion on value for money when value for money was

not the original objective. The original objective was openness and transparency and fairness, and so far you have not given me an answer as to why the overall objective has changed.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I can only go back to an examination with the chief internal auditor, which is: were you influenced by management in the final conclusion of the report and he says, "Absolutely not", so --

**Tom Copley AM:** Again, that is not an answer to my question as to why the overall objective was changed and why the conclusion was value for money when the question was openness and transparency of the procedure?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I disagree with one point. I do not think the conclusion, in a sense, was value for money, at least from an internal audit side and from my examination as the Chair of the Audit Committee. What I am interested in is the findings of the report and the findings of the report are that TfL did some things very well. In other respects the audit fell short of what was expected of TfL's policies. Those aspects are brought out in the internal audit report.

To the Chair's question earlier, what I have been doing diligently over the last three or four months is looking at that and I will be taking it up with the audit function again at the next audit meeting on 8 March 2016.

**Len Duvall AM (Chair):** I just want to clarify one point. I am now going to read you the transcript of the exchange between myself and your Director of Internal Audit, Clive Walker. I say to him,

*"Taking together all these points then, these adversely impact on the openness and objectivity of the procurement' [They were his words.] Is that true? [He replies, Clive Walker,] 'Those are a bunch of issues within the procurement'. [I reply,] 'Is that true? Taken in the context of those issues, because they were your words, is that true, is that what took place?' [Clive Walker responds,] 'There are certainly a range of issues or things that we found in respect of the procurement that should not be the case. We raised them as issues and we are trying to get action taken'. [My response,] 'Sorry, I am asking if it's true, if it's a yes or no? Is it true? Is it true in your professional view, as chief auditor, that what took place within this process was that true? Do you stand by those issues? You are telling me it is in the report. I am quoting to you where it was clearer in the report in the first draft but I am quoting back to you, is that true?' [Clive Walker responds,] 'It is true. Yes, you are right, it is true.'"*

Can we go back to the original issue that I wrote to you on, where you wrote to us saying, "Actually, there is not a problem and this is all correct", by going back to saying, actually, there is a problem and TfL did break their procedures in this process. They did not follow their procedures. Do you admit that? Do you accept that?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I will repeat what I wrote to you,

*"There are issues in the evaluation process and analysis of the tenders in the contract which did not follow procurement policy."*

**Tom Copley AM:** What the Chair has just quoted to you is an exchange that basically confirmed that the Director of Internal Audit does think that the errors that were made did adversely affect the procurement process. Would you agree with that?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I would agree that there were elements of the procurement process that did not follow TfL's policies.

**Tom Copley AM:** Going back to this shift that seemed to occur from the original objective of openness and transparency to value for money, and looking at the original draft of the report and the final report that was published, would you agree that the summary and the conclusions seem to have a more positive tone than the actual finding set out in the body of the audit report?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** If I look at the initial draft and I look at the final audit report, what I would agree with you is that the final audit report was more positive. In fact it emphasised some of the positives of the process in the final audit report that was not there in the initial report.

**Tom Copley AM:** I am aware that Richard de Cani [Director of Strategy and Policy, TfL] was given an opportunity to go through the draft of the audit report before it was published. Is it normal for a person being investigated, rather than, say, their manager, to be able to directly go over and correct things in a report?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** In my experience it is absolutely normal unless there was an issue of fraud involved.

**Tom Copley AM:** Would that process usually be based simply on factual matters, as opposed to the tone or the conclusion?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** No, it would be both because, as I said to you at the beginning, the nature of the audit process is to look at documentation and then look at what happens, not only in respect of the documentation but what happens behind the documentation. That is a perfectly normal audit process.

**Tom Copley AM:** You are telling me that someone who is under investigation themselves can go through the audit report that is looking into them and edit it, edit not just the facts --

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** It is absolutely normal.

**Tom Copley AM:** -- the tone of the report?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** It is absolutely normal practice.

**Tom Copley AM:** You are telling me that is normal?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** That is normal audit experience.

**Tom Copley AM:** That is news to me.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Well, good. I am afraid that is the way in which audits are performed unless --

**Tom Copley AM:** I just find that hard to believe.

**Len Duvall AM (Chair):** Some of the changes that have been made, you would have had an opportunity to see the original draft report; the original report prepared and the report afterwards. Please forgive me, I know people think politicians have a sheltered life but many of us around the table have had audit experience, both in terms of being in some of those meetings where you exchange views around there and some in a much

higher experience. Therefore, are you saying that the changes made between the original draft report and the final report were factually based, that were reasonable and legitimate within the context of what we are dealing with here?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** This is where you absolutely go back to the fundamental question, on which I wrote back to you in December, which is: do you believe in the independence of the internal audit function and do you believe that what it is telling the Chair of the Audit Committee is independently arrived at? That was the purpose of the meeting on 8 December. It was a private meeting with the internal auditor on his own, where he has every opportunity to give any representation that he wants to, if you like there has been any influence on his reporting not only in respect of this audit but in respect of other years.

**Len Duvall AM (Chair):** Look, we might go back into some Freedom of Information (FOI) exchanges here to talk about that and the issues of that process, but on the original point --

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I am quite happy to explain it.

**Len Duvall AM (Chair):** Can we go back to the original issue of shifting the terms of reference then? That is what essentially happened. What is the answer for that in your view? Do you think that is legitimate as well? A report was commissioned by the then Commissioner of Transport [Sir Peter Hendy CBE] into a request from a member of this Committee, terms of reference set and established, your officers go off and do their business, come back, report and at the exchange the officer being investigated then rewrites or makes suggestions of alterations to that report, which changed the terms of reference and, to anybody reading that report, who had no background knowledge, the conclusions, the finding of the report, because if we top and tail that report that is essentially what has happened.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** As an internal audit function, as I say, they go through several iterations of a report. As an Audit Committee, we would not normally look at every iteration of an audit report.

**Len Duvall AM (Chair):** I am not suggesting that. I am asking you to comment on the original issue about the shift in terms of reference. Would you not be concerned that that happened? Whether your auditor raised it with you as an issue, you in your capacity as chair or a member of the Audit Committee would not be slightly concerned that the terms of reference, the focus of the original investigation has changed, not changed slightly, not changed in a little way but in a very dramatic way?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Yes, and, having seen the initial draft and seen the final draft, I have done a substantial amount of work over the last three or four months to look myself at exactly what has happened. I have gone back with the internal audit function. I have gone back with the procurement function. I have gone back with the external auditors to examine myself what happened in respect of this particular audit.

**Len Duvall AM (Chair):** OK. Thank you for that.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I am very happy to just put on record that on 8 March 2016, which is a few days' time, it will be brought back to the Audit Committee and I am very, very happy to share the output of that with this Committee.

**Len Duvall AM (Chair):** Thank you for that.

**Roger Evans AM:** I am interested in this just from my own point of view as having been Chair of the London Assembly's Audit Panel for a number of years. The process you talk about, where the report is presented to the person who has been audited and there is an element of extra information being exchanged, happens here but it happens in this room and the auditors sit on this side of the table and the audited sit on that side of the table, and a couple of Members sit on the end. It is a public meeting and there is a clear record of what objections were raised on either side and why those changes were made. I find that is a useful approach because it keeps our auditors honest as well as the people who are being audited. Is your Audit Committee going to work in that way because it is difficult to get at what has happened behind the decision if you do not?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Just to go through it, what I have done and let me just go back a stage. I was very keen to write back to you in December because you brought out a very fundamental issue to me, which was the independence of the internal audit function because if there was a belief that the internal audit function was not acting independently, to my mind not only is that a serious allegation it is one that sets you down a completely different path in terms of the audit, so I was very keen to write back to you on that issue.

What I concluded in the letter to you was that I was going to work with the Commissioner [of Transport]. I was going to look at matters further and I spent a considerable amount of time myself doing that. I discussed matters in the last two weeks with the rest of the Audit Committee. As I say, the next meeting is scheduled for 8 March 2016 and I am very, very happy to share the output of that meeting, which I think will answer some of your questions.

**Roger Evans AM:** My question is about the structure of the meeting. Obviously, your auditors attend.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** The external auditors are there.

**Roger Evans AM:** Do the people who have been audited attend as well, so they can have this discussion with you there and you can see why they have reached the conclusions they have?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** It would not be normal for the audited to be there. What I have done over the last two months is to speak to several people who were involved in the audit process myself. I wanted to get an understanding for myself of what I was being told by the internal audit function so I could verify and ask any further questions I wanted to of, say, the procurement department and other people. To answer your question, I do not see any need for them to be there to respond but --

**Roger Evans AM:** I could understand that your workload at TfL might make that sort of format more challenging than ours, because you will have a lot more audited items to go through, but you can still do it by a process of exception and just see the people who are contentious and this would clearly be in that category, would it not?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Yes. To some degree, I would say that my role is to arrive at the findings that I see, based on the internal audit report and the work that I have done and internal audit have done with the people who were being audited. I am happy in my mind with the conclusions that I have.

**Roger Evans AM:** What about the other members of your Audit and Assurance Committee?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** That is why I wanted to give them an opportunity on 8 March 2016. What I was very conscious of at the audit meeting in December 2015, is that I have more information than the rest of the Audit Committee. I wanted to give them an opportunity to see what I had looked at and what I was further going to look at in terms of a further review of the audit. I have completed that in the last two weeks. I have sent a draft to the rest of the Audit Committee. I want to have a final review of that on 8 March 2016 and I am very happy to share all of the documentation relating to that with you as a committee.

**Caroline Pidgeon MBE AM:** The thing that follows from what you have been saying, you clearly have been spending a lot of time on this. I can see you have reams of paper there and so on and you have been looking into it in great detail. You have still not answered the question: are you happy that, from the first report to the last report, there was significant changes including in the tone, including that you acknowledge it was much more positive. Are you happy with that or does it make you feel uncomfortable?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I am happy in the sense that it brings out a balance. I think your question to me is: does it then skew the balance on the more positive than the negative? My own read of it is that it still emphasises the negatives that were brought out in the original report. It still refers to the negatives that were in the first draft report, but it does equally bring out positives that were not in that first draft at all.

**Caroline Pidgeon MBE AM:** Does that concern you?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** It does not, which is where I go back to the question. The next point for me is, "OK, well, talk to the internal audit to see why he brought out the positives in the second report that were not there in the negatives. Was he acting independently?" I go back to every question we have asked - and we asked it as a committee - is that he emphasises that he was independent at arriving at the final audit report.

**Caroline Pidgeon MBE AM:** OK. Thank you.

**Tom Copley AM:** Just some quick follow ups. Both the original audit team and the Director of Internal Audit, as we have discussed, agreed that the procurement's openness and transparency had been adversely affected. Given that the original remit of the report was about openness and transparency, do you agree that that should have formed a key part of the report's conclusion?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I have asked the internal auditor that very question as to, "Your assessment in the first draft in the report is not there in the second report". What he says to me is, if you look at the content, the content is still there. The actual words are not because that is a subjective judgment in his view, not a factual judgement.

**Tom Copley AM:** Of course it is an objective judgement because it is in the judgement of the person doing the audit, surely. It is still a crucial part of it. Any conclusion in that regard surely is going to have an element of subjectivity to it. Given that the original question that was asked, the original remit was about openness and transparency and then not to include in the conclusion the opinion of the auditor - and it is always going to be the opinion of the auditor - that the process was adversely affected. You do not think that is strange?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I think, between the first draft and the last draft, what he was given was the rationale for some of the questions that had been asked following on from the first draft.



**Tom Copley AM:** Still, within the main body of the report, it is clear that the process was adversely affected.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Let me give you an example. In the first audit report, going back to the example I gave you earlier, it talks about on the first project that there was no OJEU approach. That is in the first--

**Tom Copley AM:** TfL split the contracts to make sure they did not have to go through the OJEU process.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Whereas the contracts were split, yes.

**Tom Copley AM:** We did that deliberately so it did not have to go through an open door contest.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** That is another thing that I examined in my examination of: did you just willy-nilly split the two and the evidence is, no, it was not. It is that at the time they did the original assessment they were not quite sure what they wanted, so they decided to go for a first procurement. Under TfL rules, where the expenditure is below a certain level, the processes are different from a large procurement, so largely on that first procurement they followed their own rules. There are a couple of places where they did not but largely they did.

**Tom Copley AM:** Of course there are all sorts of --

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I will just finish off. When you look at the first report, the first report built on the wrong assumption got to the wrong conclusion.

**Tom Copley AM:** Sorry, say that again.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** The first report, because it did not understand what had happened in practice, got to the very conclusion that you were talking about in terms of openness and transparency.

**Tom Copley AM:** The final report still says and - and this is the crucial thing - the director of audit still stands by the fact that it was adversely affected. You have to admit, surely, it is very convenient, both for TfL and for the Mayor, for the conclusion not to include that part of the report? It looks like the document has been - I am not going to use the word 'sexed up', no - niced up, perhaps, in order to make TfL make a little less bad and certainly the Mayor look a little less bad.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I can only go back to what I have said before which is, I have asked the internal auditor - to use your words - was it 'sexed up' and was he influenced, and he stands by his independence in arriving at the report.

**Tom Copley AM:** Can I ask you finally, going back to something you said earlier about whether or not an individual under investigation should be able to go over the report and change things. You said except in the case of fraud they would. If it had been discovered that an officer had deliberately rigged the procurement process would that have been a fraud?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** If it had been deliberately rigged?

**Tom Copley AM:** If it had been deliberately rigged would the conclusion have been that there would have been fraud?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I guess the question would be: what was rigged?

**Tom Copley AM:** Say the scoring, for example?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I am no lawyer to answer that one but it does not seem --

**Tom Copley AM:** Or say the fact that one company was phoned up and asked to reduce their day rates and the other two companies were not. When does it become fraud?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I think there are two levels here: do you always abide by the policies and procedures and, where there is an exception to a policy and procedure, is there a reason for it that is justifiable? Is it something that you can see why it happened? It does not necessarily mean it is fraudulent.

**Tom Copley AM:** There is the potential for that to be the conclusion?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** There is always an examination required as to what events happened at the time, yes. I do not disagree with that. Can I give you one example, one example that I have seen referred to? I will give you a very simple example, which is: the late submission of materials. I know from my past life the Inland Revenue will accept late submissions of tax returns. Again it comes down to reasons why.

**Tom Copley AM:** If there is a potential that a conclusion could say that there is fraud involved, in those circumstances then is it unusual for someone to be given sight of and able to go and change the tone of a report that investigates them?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I have not seen any allegation of fraud in this audit, to me anyway.

**Tom Copley AM:** Thank you.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** If there is an allegation of fraud then you would normally go down a different audit procedure.

**Len Duvall AM (Chair):** Can I just take you back: is it true that your committee publishes only the executive summary and the conclusions of your audit reports? Is that what you publish on your website? Is that your policy?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Yes, that is the policy. We would not publish all the interim reports. To take this audit as an example, as a committee we would not see the original version and all the various versions that happened before the final audit report.

**Len Duvall AM (Chair):** You would see the final report. You would only publish for the public the executive summary and the conclusion?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Yes, I believe that is right.

**Len Duvall AM (Chair):** You believe that is right. OK. Can we try to confirm that if we can?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Yes

**Len Duvall AM (Chair):** It is right. OK.

**Caroline Pidgeon MBE AM:** Yes, I would like to come in. I would like to come in. I would just say on the previous set of questions, I completely understand someone changing factual things and so on. I understand that. I think we all do. The idea that you can change the tone and change the area of focus for an audit, which has been instructed by the Commissioner, that just does not feel right to me and I think you can say this is normal in the audit world. As an ordinary member of the public looking at it, it does not feel right and I think that has to be the judge. We all have that judgement in terms of things we have to declare and so on. What would Joe Bloggs public think of it? They would think, "Something is not right about this"

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** It does go back to the earlier question: the reason that you tend to involve the departments that are being audited in the audit process is to get that tone and background.

**Caroline Pidgeon MBE AM:** I think to get the facts out there but not to change the tone. If it is quite critical to make it, actually, it is all quite jolly. It does not feel quite right. I am saying this as a lay person that it just does not feel quite right. I think a lot of people who were looking at this objectively might feel the same.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** If I can give you an analogy.

**Caroline Pidgeon MBE AM:** Yes, please do.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I send you a letter. You invite me along for a discussion. That is to get the tone and more out than you do out of the letter.

**Caroline Pidgeon MBE AM:** Yes, out of your letter.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I do not think it is dissimilar in a sense.

**Caroline Pidgeon MBE AM:** OK. All right then, let us move on. I want to talk to you about --

**Len Duvall AM (Chair):** It is dissimilar if, in terms of the factual issues, if you are changing the major contents of a report.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Sorry --

**Len Duvall AM (Chair):** It is not correct. The tone that you have said in the analogy you have just given is a correct analogy. What we contend with on this Committee, or the majority of us on this Committee, is that the tone was dramatically changed to give another version of events than was originally put in the document and subsequently declared to this Committee to be a correct version of what had happened. Your analogy is

wrong. It is actually substantially changed. Your final audit report, if you did not know what went on and you did not have the background information, you would think that things were OK and there were no problems.

In your letter to me you have said today that you accepted there were problems. The final Audit Committee report that you had, both in terms of the executive summary – this is what the members want to get across to you and get some understanding – and the final conclusions were almost a rewrite, a completely different version of events that took place from the draft to the final outcome that was before you, which played down the exact problems that took place during this procurement process.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Yes, I have looked at that at some length and maybe if I give you a little bit of detail on that because it is an important question you ask. If I look at the original report what it brought out is that there was no procurement strategy, there were informal contacts with bidders in the procurements. There was a lack of segregation on the design services procurement. There was a lack of evaluation documentation on the technical design project and there was a lack of tender documentation on the design project. Those were the findings of the initial report. One of those is factually incorrect, which I alluded to earlier. When you get to the final report what it says is, “The design services contract had an unclear role”, so it brings out something that was in the initial report, “The design services had missing documentation”. That was in the initial report, and there was variation of rates in the first contract on the scoring. On the second contract it says the Arup submission was not as detailed as it should have been. There was missing documentation and there were no best and final offers. What I see is that the highlighted issues in the first report did make it through to the second report as well. What the second report did, which you rightly point out, it also pointed out some positives in the procurement process at the same time, which was not there in the initial draft. To me that is trying to give balance.

**Caroline Pidgeon MBE AM:** I want to focus on your committee meeting you had on 8 December 2016, the Audit and Assurance Committee. Can you describe for me the discussion that took place about the Garden Bridge internal review and our Committee’s letter?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Yes. Can I give you a little bit of history because I think going into the meeting on the 8<sup>th</sup> [8 December 2015] as a Committee, to my mind they had not seen what I had seen both slightly before the committee meeting and subsequently. If I give you a little bit of background because it was important to me that I did look at how we got to 8 December. The previous Audit Committee was held on 8 October. At that point in time, the Garden Bridge had not featured. The Committee had not discussed it at the meeting on 8 October. Indeed, Clive Walker did not appear here until 22 October so, as a committee, they were not aware of events.

I spoke to TfL’s General Counsel [Howard Carter] on 2 November. We have a normal discussion and that was just to highlight to me that this was an issue.

**Caroline Pidgeon MBE AM:** They contacted you?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Yes. It was a normal conversation. I update myself regularly on the audit process.

**Caroline Pidgeon MBE AM:** OK.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** On 2 November I spoke to Howard Carter, General Counsel [TfL], and I said to him I was going to be away for a couple of weeks in November. I had a couple of weeks’ vacation in November and, similarly, I think Clive Walker also had some weeks’ vacation in

November. On 2 December I spoke to the General Counsel again saying that we had the up and coming meeting on the 8th and it would be useful if he could give me an update of what happened. He sent over the transcript of the meeting of the 22nd. In the meantime your letter of 3 December 2015 came to me and, as I said earlier, I was very keen on 8 December that we met with the Head of Internal Audit, Clive Walker, as a Committee, on your point of independence. It was a hugely important meeting I think because, as I say, it was to give him every opportunity on the point of independence. It was a normal meeting anyway, in the sense that we were due to have that meeting in any respect, but what I did not feel in that meeting of 8 December is that, as a Committee, they were fully briefed on all the issues that we are discussing today. That would come to them on 8 March.

**Caroline Pidgeon MBE AM:** OK. In terms of that meeting, how long did you consider our letter and the issues that we had raised with you?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** In terms of the first issue of the independence that was in the private session with the head of internal audit, Clive Walker, and that was quite a long discussion. In terms --

**Caroline Pidgeon MBE AM:** When you say "quite long" what do you mean, half an hour, an hour?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Probably, what? Those meetings typically last for half an hour, 45 minutes.

**Caroline Pidgeon MBE AM:** It was taken up with this issue?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** It was taken up with this issue.

**Caroline Pidgeon MBE AM:** OK, and then in the public meeting?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** In the public meeting we hardly discussed it at all because I did not think the Committee were, in all honesty, prepared in terms of the detail. What I saw at the Committee was a couple of members commenting, and I thought it would be better if they had the full facts before them before they made any real statement.

**Caroline Pidgeon MBE AM:** Do you agree with one of your fellow Committee members that the letter that we had sent you was, to quote them, "Blatant political opportunism"?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** That goes back to the first question which is, in part, why I did not think it was a good idea to have a long discussion of the audit issue at that particular meeting, because what I heard was sentiment rather than fact and I wanted the 8 March meeting to deal with the facts.

**Caroline Pidgeon MBE AM:** OK. Do you agree with the comment that your fellow Committee member made that our letter was blatant political opportunism?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** No, I do not operate in the political arena so, no, I do not.

**Caroline Pidgeon MBE AM:** You do not agree with that?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** You are an oversight committee. I think it is perfectly reasonable that you write to me as an oversight committee. I have no issue with that at all.

**Caroline Pidgeon MBE AM:** Good. I am very pleased to hear that because I did want to put on record, having read who it came from, Brian Cooke [Board member TfL], who used to chair London TravelWatch and this Assembly, I am afraid, had to sack him for being political in his role; so I thought that was a bit rich coming from him to be honest.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** He is entitled to his view. He is entitled to his view.

**Caroline Pidgeon MBE AM:** Yes, but I am glad that you have distanced yourself from that comment. Can you update us on whether TfL is undertaking an investigation into the leak of the early version of the internal review report?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Yes, I do not know the answer to that. One of the things that we look at in terms of audit function and Audit Committee is what is called whistle-blowing, but that only covers stuff that is internally blown not externally. For whatever reason, this one was leaked externally rather than internally. I do not know whether TfL is examining all that. That is a question for them.

**Caroline Pidgeon MBE AM:** From what I could see that seemed to be more of a concern for your fellow Committee members seeking this person who had leaked, rather than looking at the transparent and independent audit process.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** For me, as I say, if something is whistle-blown and I discover it as Audit Committee I will investigate it. This particular leak was an external leak not an internal leak, as far as I am aware.

**Caroline Pidgeon MBE AM:** It is not something that your Committee is pursuing and you are not aware if TfL is?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I am not aware if TfL is.

**Caroline Pidgeon MBE AM:** We might want to pursue that.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Can I ask why you would want to look into that?

**Caroline Pidgeon MBE AM:** I am interested because, when the team looked at what we could see from your Committee, I think we felt that that seemed to be the focus of efforts rather than looking at the material issues.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** For me that is not the focus, as you can see.

**Caroline Pidgeon MBE AM:** It is not for you but I am just worried other members might have been.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** It is not the focus for me.

**Caroline Pidgeon MBE AM:** As chair of the Audit Committee and being an appointable member, can you assure me that you see yourselves, TfL, a public body, that you absolutely endorse the concept of transparency and it is quite reasonable for us to be questioning some of your work in terms of ensuring that TfL is transparent?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Yes, I have absolutely no issue with you as an oversight committee, overseeing what happens at TfL Audit Committee.

**Caroline Pidgeon MBE AM:** I have to say that when I read - we were talking about tone earlier - the tone of your letter, instead of being reassured you were taking us seriously I am afraid it got my back up completely. I thought you were being rather rude and dismissive of us when we are doing the job we are paid to do and we wanted to make sure that you were looking at issues --

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** No, that was not my intent. My intent in the last paragraph is I wanted to talk to the Commissioner. I wanted to talk to people involved in the audit and I wanted to do the investigation myself before I put on record my own findings.

**Caroline Pidgeon MBE AM:** I have one final question just as I have the floor at the moment. Obviously since we last had a meeting, as the Chair has already stated, we found out that the Chairman of TfL, the Mayor of London went to the United States to seek sponsorship for this bridge. What is your view on TfL trying to seek sponsorship for a project, with one of the bidders but head of TfL issuing the tender and so on? Do you think it is good practice to be seen lobbying with one potential bidder who then got awarded the contract?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I can understand your question but when I look at what happened from what I see, is that the Mayor was not involved in the procurement itself.

**Caroline Pidgeon MBE AM:** The Mayor had asked TfL to procure this bridge. That was his direction. He asked TfL to procure this. He supported this project. He has then gone around the world with one of the bidders to try to seek sponsorship ahead of TfL going through a proper process. Once it is awarded I can understand that but before it had been even awarded. Do you think that is best practice?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Is it best practice? I cannot see anything particularly wrong in looking. What I understand, and I am not involved in the Garden Bridge project myself, is they --

**Caroline Pidgeon MBE AM:** No, and good job too.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** -- were very keen to look for sponsorship for the Garden Bridge. I think there was a suspension of belief that any sponsors would come forward, so I can see some interest in seeing if there was going to be sponsors for the bridge.

**Caroline Pidgeon MBE AM:** At this point, bearing in mind the tender went out only asking about it being a pedestrian bridge. It was near a garden bridge. That just happened to be the design that won. Then the successful bidder came back with it. In the documentation clearly it stated a pedestrian bridge, a pedestrian crossing between two points. It never mentioned this concept of a garden bridge.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Yes. Ironically, that takes me back to the issue on why the procurement was brought into two because the explanation given to me was that the first

procurement was because they were not entirely sure themselves as to what they were looking for, so it made sense to do that preliminary work with a small project rather than embark on a significant project to begin with and I can understand that.

**Caroline Pidgeon MBE AM:** You think it is perfectly fine for the chair of a body to be seeking sponsorship for a very specific project, a garden bridge, when TfL had not even decided if that was what they were going to deliver?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Yes, I can see why someone might go and look at, "I have an interest in something. Will I get sponsorship for it?" I have to say people write to me as British Airways (BA) for sponsorship all the time.

**Caroline Pidgeon MBE AM:** I bet they do. I bet they do. OK.

**Len Duvall AM (Chair):** You can declare now whether you are involved or been approached for sponsorship.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I am not a sponsor of the Garden Bridge, no.

**Caroline Pidgeon MBE AM:** I will leave it there. Thank you for your frankness. It is more refreshing than, as I say, the letter came across. Thank you.

**Darren Johnson AM:** This is a question on looking ahead. How will you monitor the implementation of the review's recommendations?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Yes, what I have already done is I have met with what TfL call commercial. I will call it the procurement department. I met with them about three weeks ago to look at two things. They have implemented new procurement policies from October 2015, and I wanted to go through what that policy looked like, which I did with them. In terms of the audit plan for next year, we are about to agree the audit plan for next year.

To give you a flavour, TfL audit is around 12,000 man days of which around 3,000 are normally spent on review of capital spend, and about half of that is on process. What we will be asking the internal audit function is to beef up that review. I have also asked the external auditors to get involved in terms of their yearend analysis of the audit processes, to look at that specifically.

**Darren Johnson AM:** Given how much information has emerged since the original audit report, and we have had FOI requests published and there has been various publicity and various exchange of correspondence, and this Committee's work and so on, do you think there is a need to commission a further review, possibly an external one?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Of?

**Darren Johnson AM:** Of the Garden Bridge procurement.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I have, in terms of my review involved the external auditors, in terms of what I have seen and I have spoken to them as part of the process.

**Darren Johnson AM:** Are they looking specifically at this project or is this of TfL's project teams in general?



**Keith Williams (Chair, Audit and Assurance Committee, TfL):** No, what I have done is as I have gone through and looked at the project myself, I have sat down with the external auditors to run through what I have seen. I thought that was good practice: (a) to allow them to see it and (b) as we look at the audit plan for them next year that they are aware of TfL's policies, procedures and what we are doing, so I think it is just good audit practice. I have not asked them specifically to look at this particular project. To be honest, I do not see a need to.

**Darren Johnson AM:** You do not see a need to?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** No.

**Darren Johnson AM:** What if, for example, a new Mayor comes in, he or she after the election says that given all of the to-ing and fro-ing on this that they would like to see an external review of the whole bridge process, what you advise against that? Would you advise a new Mayor against that?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** No. That is the prerogative of any Mayor coming in, which is why I think it is important that I and my committee review it and document what we see if there is any future external scrutiny.

**Darren Johnson AM:** You would not caution against that or you would co-operate fully if that was the wish of an incoming Mayor?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I would always co-operate fully.

**Darren Johnson AM:** OK. Thank you. It may be a recommendation that this Committee might want to consider.

**Len Duvall AM (Chair):** I just want to give an insight. No doubt in your review you may have looked at or examined some of the FOI requests, and there have been numerous people doing it but some of the stuff unearthed by the *Architects' Journal* have been quite interesting. I am going to quote to you and I am going to give you the date of when this exchange takes place. This is 8 March 2013. This is between the commercial department and Mr de Cani. It starts off, "I have read the documentation that supports this project". It then goes on to make a number of comments but says pointedly,

*"How was the commercial criteria scored and reached as given to a range of daily rates submitted. All three cannot have scored 15%. I don't agree with the summary comments that I have seen suggesting rates are consistent across all three bidders. One of the submissions quotes hourly not daily rates. If we are to proceed with the award we need to resolve the contractual issues agreed actual requirement (and overall budget) and also ensure that we are not subject to scope creep. I appreciate there is a requirement to move this forward but I am not comfortable that we proceed at this moment, given the issues highlighted above."*

In the response Mr de Cani says, "Paul, I'm sorry for the delay. I've been tied up in meetings". It is dated the same date but it is at midday rather than early in the morning,

*"Now let's just be very clear about where we are. (1) In terms of the best people to do the jobs it is Heatherwick. This is who we want to appoint because their expertise and approach to the project. (2) We have not asked for fixed sums so we should ignore this. We are appointing on that basis."*

That exchange is between the commercial and Mr de Cani. Throughout the FOI processes and in the evidence that we had at our first meeting, it is clear from FOI disclosures there were issues raised by legal at the beginning of the process, issues raised by commercial both at the beginning and during the process, and subsequently your own internal audit raises concerns about this issue. A lot of people are raising questions about this project at the beginning, before you even start, during the project as you are working on and then after this process. Is that what you found and is that what you are going to be reporting to your committee through the FOI processes? Have you got that far?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** You have asked a very important question, which goes back to was this one procurement or two because, if it was one procurement, it fell under TfL rules that were for a level of expenditure that did not exactly require what you have just spoken to. For instance, going back, the legal advice that TfL was given was on 8 January 2013, I think. It was based on a presumption that it was going to be one, big procurement. In reality, it was two procurements, so it went down a different procurement, a different policy route within TfL. I think that is important in terms of answering the question that you have just asked me. I will be going through that with the Committee on 8 March and I am very, very happy to respond to you on that point through the Committee and independently, because it is an important question that you ask and I have looked at myself.

**Len Duvall AM (Chair):** Do you think those exchanges -- not all because your internal auditors would not have looked at every one of those but this was not a very happy process, albeit, everyone knew that pressure was on to deliver a project? There were concerns raised by a number of parts of your organisation. Did your internal auditors reflect those concerns in their final report?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I think he did. I think he did.

**Len Duvall AM (Chair):** He certainly did to the Committee --

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I think he did in the report because --

**Len Duvall AM (Chair):** We have had Mike Brown MVO [Commissioner of TfL] and Boris Johnson MP here and I understand, and I have read in terms of your letter, and I can see in terms of tone what you are suggesting to me and what work you are doing now. What I do not see from TfL is a real admission that they could have done things differently. With hindsight or within a different approach, they could have done it for this project in a different way and the way they delivered it leaves a bit of a bad taste internally in the organisation. Do you not think that?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** To answer your first question I think the internal audit report did raise the issue of what you referred to as being the tension between two departments at TfL, and it --

**Len Duvall AM (Chair):** It was more than two. I think in the FOIs more than two.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** It did raise some of the tensions and tried to answer the tensions, in terms of what the process should be in terms of elevation of issues, so I think that is referred to in the report.

**Navin Shah AM:** Project Compass [Community Interest Company] has published a report on procurement issues. Have you read that? Are you aware of that?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Who?

**Navin Shah AM:** Project Compass.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** No, I have not I am afraid.

**Navin Shah AM:** They have issued this month - well, a few days I think - a report that covers the procurement issues. They have concluded that there is a requirement for an independent investigation into the whole process. I know that you just said that you have an external investigation. It is not the same as an independent investigation, is it? Do you agree to the requirement that, given what has gone on right from the beginning, there is a need for a private investigation into the matters?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Have they had access to all the paperwork and the discussions with the people at TfL in arriving at that conclusion?

**Navin Shah AM:** Yes, but they have concluded at the end of the report --

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Yes, but how did they get to that conclusion?

**Navin Shah AM:** -- and I will quote,

*"With respect to the procurement of the Garden Bridge this report concludes that an independent investigation would be appropriate."*

Do you not think that is the right direction to take, given the controversy, given the bad taste, as the Chair said, the whole procurement process has left?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** No, I honestly do not. I think if you look at the amount of work that has now gone into this and the amount of work that I, and next week my committee, will have put into it, I honestly do not think there is a need for another stage. I heard Caroline say, excuse me, "I hope we are not going to have another meeting on this" --

**Caroline Pidgeon MBE AM:** No, I said we might have another one.

**Navin Shah AM:** Let us move to the final question and this is about the way forward or lessons to be learnt. Does this experience point to the need for a different procurement approach for TfL projects that need to be fast tracked?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** For projects that need to be fast tracked? What I agree with you is that there needed to be a review of the procurement processes and that has happened. In October there was a paper brought out the procurement process. TfL have been working on that for some time anyway, but there was a new policy that came out in October 2015. What I have been doing, as part of my review, is to look at that procurement policy to make sure it is appropriate, not only for fast track projects but for all projects. That to me will be a focus - after all the discussion we have had here - of the audit cycle for the next 12 months.

**Navin Shah AM:** It is interesting because I think, yes, I agree that the whole issue does need to be reviewed. Politically also, I think there should be a clear policy approach as to why and which kind of projects require fast tracking and, therefore, then the appropriate policies to go with that so that we do not end up with the mess we currently have.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Yes. I am certain there has been a policy review. That does not quite answer your question. I am not sure what they determine as being fast track and that may be something that we should look at, but I do take the point.

**Navin Shah AM:** Yes. In my view, broadly speaking, there is certainly a significant need for complete reform of the whole procurement that we were talking about. I would suggest, if I may, that you do have a careful look at the report that Project Compass have produced and their conclusion as well, because I think there is merit in that that there is a private investigation so that it is independent of what you do, what you have commissioned, so that there is that trust because there is complete lack of trust in everything that has been done so far and, for a lay person, this actually stinks.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I have to say I view myself as independent in terms of my review.

**Navin Shah AM:** You may but certainly this is part of the process. What we are saying is that outside the process, given the whole host of information that has been contradictory to say the least, it sort of points towards corruption. It points towards the report --

**Gareth Bacon AM:** You have to be careful using that word in public. We do not have Parliamentary privilege here.

**Navin Shah AM:** I do not? Well, it does smack of the process not being diligent. OK. Therefore, I think there is a need for an independent investigation as to how the procurement has come about.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I am not saying there were not failures in the process and TfL itself, and certainly the Commissioner - when I talked to the new Commissioner - can see that there were failures in the process here of their own policies. That we are following up on and that has been my focus over the last couple of months.

**Navin Shah AM:** I would contend that it is not good enough.

**Len Duvall AM (Chair):** Just to be very clear, in the existing TfL procedure there was scope for - and there is scope within the tendering process - to go for a single tender approach. Where someone has that expertise, which we have been told by Mike Brown and I think Boris Johnson this was the only person who could do that, is that one of the questions that you are asking in terms before it comes back to your Audit Committee? Because it seems they go to the heart of the problem. In terms of some of the issues that -- one of the premises told by Mike Brown and Boris Johnson to this Committee there was a need for speed and there was a case for expertise being in this particular bidder. I think Mr de Cani said that, in terms of Thomas Heatherwick. That option was open to do that single tender process, even in a fast track form. Is that one of the questions that you are asking?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** One of the questions I have asked is: why choose Thomas Heatherwick?

**Len Duvall AM (Chair):** That is interesting. That will come back. You will no doubt get some of the similar answers that we may have had at this Committee, but in terms of some of the issues around the tendering process, would you expect that was a course of action that could have been taken?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Sorry, I am not clear on the question.

**Len Duvall AM (Chair):** A single tender process. A single tenderer because of their expertise that they may have in a particular field that is open to you. That is quite --

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** There are two questions that I have asked. The first is why to go to two tenders. The second question I have asked is: well, OK, if Thomas Heatherwick were given the first project was it a natural assumption that they would also get the second project.

**Len Duvall AM (Chair):** That is a point.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Having done the design is it a case of one would follow the other.

**Len Duvall AM (Chair):** OK. I am with you.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I have looked at that.

**Len Duvall AM (Chair):** If you could look at that and --

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** No, I have looked at it.

**Len Duvall AM (Chair):** -- on the new tendering process do we know when TfL started looking at that? You may not be aware of the date, but when did they start looking at a revised tendering process?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I have looked at that as well. I specifically looked at the question. To answer your question, I specifically looked at: OK, this was broken into two. The fact that you have chosen Thomas Heatherwick on the first project, does it automatically mean that they are selected for the second project? That was an important element of what I looked at.

**Len Duvall AM (Chair):** That is fine. Thank you.

**Murad Qureshi AM:** I want to come back to what Navin raised, fast tracking it. There are 13 river crossing proposals around. I heard that last night from Richard de Cani himself. How can you justify, in the auditing process, this one being passed over and above all the other 12? They are involved with a lot more time and energy and are probably more critical than this one. There are 13 river crossing proposals around at the moment that TfL are involved in. This has been passed practically at the expense of the others, has it not?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Yes, and I --

**Murad Qureshi AM:** I think the Audit Committee needs to explain how that is, when the TfL system, given TfL is a system that all 13 --

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** OK. I think there was an answer for that, but I will make sure that is --

**Murad Qureshi AM:** The bidders and those involved in those other bridges I think also need an explanation of why this one has been given priority over and above all the others.

**Tom Copley AM:** My question relates to Caroline's line of questioning earlier, which is another question that should be asked: when the Mayor had made it clear, privately, he wanted a garden bridge and he was raising funds for a garden bridge, why was the TfL tender just for a footbridge and why were the other two bidders not told that the Mayor wanted a garden bridge? Do you have any thoughts on that question?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I have looked at the audit of what was procured.

**Tom Copley AM:** I think the biggest discrepancy that we have, and something where no one, not the Mayor, not Mike Brown, not Richard de Cani, not anybody, has been able to satisfy us as to why the other two bidders were not made aware that what was really wanted was a garden bridge and why, essentially, their time and money was being wasted, in bidding for something that they could never win.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I have not seen any evidence that what you have said is true.

**Tom Copley AM:** We know the Mayor was fundraising for a garden bridge, we know the tender was just for a footbridge, and we know that the two companies, other than Heatherwick, did not know the Mayor wanted a garden bridge.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I can deal with what I see, and I have not seen any evidence to substantiate what you just said.

**Len Duvall AM (Chair):** We might provide you with some of the evidence we have, both from this Committee in transcript forms, and from the answers given by TfL --

**Tom Copley AM:** Also from what the Mayor said on the radio.

**Len Duvall AM (Chair):** -- officials, as by what the Mayor has said as well, to us.

**Caroline Pidgeon MBE AM:** That is an important point Tom has raised, and something you, as Chair of Audit, need to be looking at before you go to your Committee, because I think that is a very key question. The Mayor went to the states to lobby with the designer for a garden bridge for sponsorship. The tender then went out, but only said it was a pedestrian bridge. That is a big discrepancy and gave unfair advantage, perhaps to some more than others. I wanted to pick up the issue Len had raised about the single procurement process, which I was not particularly aware of. I think that is another key question I would like you to look into because if, ultimately they had decided, the Mayor says, "I would like a garden bridge, I like this Thomas Heatherwick, he seems to have the specialism", why could they not have gone through a single procurement process, rather than this --

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I think that is why they did go through the dual procurement process, because they were not quite sure what they did want at TfL.

**Caroline Pidgeon MBE AM:** But there was the option, if they knew that they wanted Thomas Heatherwick to do it, because he has this specialist whatever he has, why did they not choose a procurement process that

was more explicit in what they really wanted, rather than going round, having people jumping hoops to tick boxes so they can pretend they have gone through a process, which is what it looks like?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** I suspect you have answered your own question, which is why --

**Caroline Pidgeon MBE AM:** You think that is right? You think that is perhaps what they did?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** No, what I said is, that is why they went through a dual procurement process.

**Caroline Pidgeon MBE AM:** OK, I would like to feel you have looked at those things.

**Len Duvall AM (Chair):** This is what I am going to do at this stage: we are going to review the transcript of this exchange between us, and thank you for the way that you have answered the questions. I am going to write further to you, just to make sure that you are clear about some of the things that we have said here that Members have raised, and if there is any further evidence that we can give to you that we have picked up through our scrutiny process that helps you to understand maybe what took place within TfL, in terms of on top of your additional information. We will do that in the sense of rather very quickly. I note what you are doing on 8 March, and I am very grateful for that. I understand better now, in terms of your original letter, about the process you are in. We will try to do that. From the Committee's point of view, we will want to consider what you have said further today, with a view to saying something about the procurement process. We will come to a view. We will look at the timescales that you are working to. We have enough information provided by TfL to us and some of the exchanges to write our report, but we will look at the timescales further about that because it would be quite interesting to see where you are coming from. It is good that you are doing that work within TfL and I think we will maybe ask for a further push. There will be things like I suppose I ought to ask this question: do you believe your auditor should have direct access to the Commissioner of Transport on issues of concern about any audit changes or report? Of course he has you to go to, but in terms of day to day working, in terms of supervision and management, there are things like that that we might -- would that be helpful or a hindrance in that sense? Working in organisations and the pressures placed on people, if they feel concerned about them, should they not go to the Commissioner direct rather than maybe through some of those processes that exist?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** You write to me --

**Len Duvall AM (Chair):** I am going to write to you about that, and there will no doubt be other things that we will say, but if you have a view on that now?

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** It would be helpful to me, because 8 March is the audit date for me. If you have questions, it would be helpful to me if you could get them to me before 8 March, if you can.

**Len Duvall AM (Chair):** I will. We will try and express that very quickly. Members, are you content with where we are at this moment? Thank you very much for your attendance today. I reiterate again, thank you for the way that you have answered the questions. Thank you.

**Keith Williams (Chair, Audit and Assurance Committee, TfL):** Thank you.

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