

Len Duvall AM
City Hall
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10 December 2018

Dear Len

Garden Bridge

We are writing in response to your letter dated 16 August 2018, in which you requested clarification in respect of drawdown of funds by the Garden Bridge Trust. We note that some time has elapsed since your letter, however we wanted to ensure that we had a complete picture of developments, including the Mayor's response to Tom Copley's question and our Audit Planning Report completed and available to reference in our reply.

In our letter of 30 July 2018, we set out our considerations of the proposed changes that TfL agreed to implement in their response to the Hodge review, which was considered by the Audit and Assurance Committee in July 2017, and our conclusion that the procedures put in place following the previous reviews should be sufficient to prevent a similar situation in the future.

We note in your letter of 16 August 2018 you queried the potential for actions to be repeated in future similar to those noted in the past and in particular referred to the potential for the Garden Bridge Trust to draw down £9 million of funds in the future.

In respect of transactions with the Garden Bridge Trust, we can confirm that our testing has not identified any payments made to the Garden Bridge Trust in the years ended 31 March 2017 and 31 March 2018. We understand that the last payment made was in March 2016.

We note that on 19 October 2018, the Mayor answered the query that you noted from Tom Copley AM, confirming that 'In 2016 the Government, through the DfT, agreed to underwrite up to £9 million of the Trust's potential cancellation costs and the Trust is in discussion with TfL about a request for payment under that agreement. TfL will review that request in the role as a single conduit for public sector funding for the project but this was a Government decision and any payment would come from their contribution to the project. However, I have been clear that I expect to see full transparency from the Trust before any final payment should be made to them against the DfT's underwriting of cancellation costs and I understand the Trust has agreed to provide such a breakdown.'

We have confirmed that the funding agreement is available at TfL's website here <http://content.tfl.gov.uk/tfl-gbt-funding-agreements-and-variations.pdf> which sets out the commitment to fund cancellation costs to the extent that they cannot be covered by the Trust. This funding is from the DfT's share of funding which is administered by TfL.

We have confirmed that as at the date of this letter, no payment has yet been made. The Garden Bridge Trust has submitted information to TfL in support of its claim, and TfL is currently assessing this. The Garden Bridge Trust has committed to provide TfL with a breakdown of costs on the project. . We will review the documentation with management to assess whether the payment is in compliance with the existing binding commitments under contractual agreements. We will consider whether proper processes have been followed prior to any payment, including compliance with MD2120, which revoked all delegations and directions previously given to TfL pertaining to the project, save where necessary to fulfil any binding commitments.

In respect of your question about similar actions in the future, as we set out in our letter of 30 July 2018, in particular surrounding Mayoral Directions, we noted that a paper was due to be considered by the September meeting of the Audit and Assurance Committee. This was duly considered – see papers <https://tfl.gov.uk/corporate/publications-and-reports/audit-and-assurance-committee>. A summary of current Mayoral Directions to TfL is maintained on the “How we are governed” page the TfL website, with links to the relevant Mayoral Decisions: <https://tfl.gov.uk/corporate/about-tfl/how-we-work/how-we-are-governed>.

We have recently issued our Audit Planning Report for the year ending 31 March 2018, which was considered at the Audit and Assurance Committee on 19 November 2018, see <https://tfl.gov.uk/corporate/publications-and-reports/audit-and-assurance-committee>. We set out our key areas of focus. Our testing for both our opinion on the financial statements and our value for money conclusion will encompass compliance with any current Mayoral Directions, including in respect of significant capital programmes. You will see our plan also incorporates a focus on understanding controls and governance surrounding capital project accounting and management, which where relevant, will incorporate assessing whether the changes to procedures arising from previous reviews of the Garden Bridge project have been properly implemented. Our work will also consider whether there are any projects with similar features to the Garden Bridge and if so, we will ensure that any such projects which are material, will be part of our sample testing. The results of our audit will be reported to the Audit and Assurance Committee in June 2019.

I hope that concludes the matter, from our interactions with all concerned, there is certainly a heightened awareness of the issues that arose on this project and a commitment to implement actions appropriately on any similar projects going forward.

Yours faithfully



Karl Havers
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