

Len Duvall AM  
Chair of the GLA Oversight committee  
City Hall  
London SE1 2AA

15 December 2015

Dear Mr Duvall

**TfL's internal audit review of the Garden Bridge design procurement**

Thank you for your letter of 3 December 2015. I note the concerns of the GLA oversight committee in respect of the above project. This was discussed at a meeting of TFL audit committee last week and subsequently in a private meeting which the committee members had with the Director of Internal audit. The members of the committee agreed that I should write to you with a summary of their thoughts and discussions.

I understand the substantial amount of public interest in the project which has sometimes strayed into the political arena. In the light of that interest it is important that your concerns are fully addressed and this was indeed the intent of TfL through its commissioner in establishing the audit.

Your letter has expressed three main concerns- the focus of the audit, the conclusion of the audit and the degree of senior manager input into the audit (you have highlighted your concerns in bold in your letter).

If I may, I would summarise the nature of the concerns as falling into two broad areas. The first is whether the audit report gives the necessary assurance that the procurement was open fair and transparent and the second is whether it was conducted in an independent fashion.

I should like to take the second concern first. As you know TFL operates a large internal audit function and one of the primary roles of the audit committee is to satisfy itself of its independence. We have no evidence to suggest that this is not the case. Indeed I would note that in May this year the Chartered Institute of Internal audit noted that within the TFL organisation "Internal audit has (still) maintained its independence and objectives and this is respected in the business".

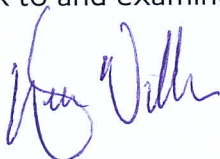
I note your comments on the various changes which were made to the report before its issue and want to address that. I am aware (I have been involved in financial oversight for more than thirty years) that it is not unusual for audit reports to go through several drafts and several meetings with management before being issued and I do not see anything wrong in that or in itself to suggest a lack of independence on the part of the Head of Internal Audit.

As part of the assessment of its independence the Audit committee meets each year with the Director of Internal Audit in order that he might relay any concerns that he may have. This is part of good audit practice and the meeting was already scheduled and held as planned on 8 December.

The Director of Internal Audit did not indicate to the committee that at any stage with regard to the audit that his independence was challenged or compromised in any way.

With regard to your (first) concern about whether the audit report adequately addresses the issue of reassurance on openness, fairness and transparency I would start by noting that the some of the summary findings are that a) the procurement approach was appropriate b) there were no issues with regard to the selection of bidders c) there were no issues with the development of the tender d) no issues with the process for developing the invitation to tender **but** e) there were some issues with the evaluation process and analysis of the tenders in the contract which did not follow procurement policy.

I know that the management of TfL are very keen to learn from any lessons that might be taken from this last finding. I have agreed with the new commissioner that this part of the audit report should be further followed up by him and his senior team and presented back to and examined by the audit committee in due course.



Keith Williams