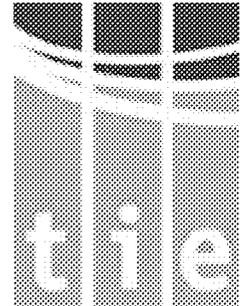


---

**From:** Suzanne Waugh  
**Sent:** 20 June 2007 09:45  
**To:** UK DL TIE Edinburgh; UK DL Transdev; UK DL TSS; McCaffertyD@pbworld.com  
**Cc:** kenneth.hogg@scotland.gsi.gov.uk; Peter Strachan (peter.strachan@networkrail.co.uk); Brian Cox (briancox@nildram.co.uk); hazel.cheney@merseytravel.gov.uk; 'david\_mackay@'; Renilson, Neil; Leanne Maberley  
**Subject:** Internal Communication - Audit Scotland Report - published today  
**Attachments:** Edinburgh transport projects - Final report.pdf; tie response - Audit Scotland Report 200607.doc; CEC Tram audit response 200607.doc



## Internal Communication

As your Chairman I am very pleased to advise you that the Audit Scotland report has been published this morning. The report validates completely our organisation and its professionalism. It clearly recognises the project, risk and financial management skills and processes we have at **tie**. I have attached the report, our press response and that of City of Edinburgh Council for your information.

I would like to compliment all my staff for your continued support and commitment over the last few challenging weeks. I believe this is the first step towards clarity for the projects, enabling us to move forward to deliver and support integrated transport solutions for Edinburgh and Scotland.

In publishing the report Robert Black, the Auditor General for Scotland thanked us "for the cooperation and assistance given to my team. This was very helpful given the timescale for the work".

Looking at **tie** as a company they recognised that we have made changes and improvements to our board and management team over the recent 12 months providing stronger focus on project delivery. Four new board members have been added including non-council members with experience in heavy rail and trams. They identified clear evidence of regular and effective reviews of progress within **tie** with the Executive Chairman, non-exec directors and senior staff playing a very active role in overseeing projects. They also noted that we operate robust financial management through a clear scheme of delegated authority to incur expenditure.

On tram the report highlights that the arrangements in place to manage the project appear sound with:

- clear corporate governance structure for the project in place involving all key stakeholders
- a clearly defined project management and organisation
- sound financial management and reporting and project cost estimates being subject to robust testing

- procedures in place to actively manage risk associated with the project
- clear procurement strategy aimed at minimising risk and delivering successful project outcomes.

On EARL they identified that financial management and reporting appears sound, and that procedures are in place to actively manage risks. Most arrangements are in place to manage the project appear sound. The only issues raised were around governance and moving forward to the next stage of the project. These were issues that Barry and his team have been working on as hard as possible with colleagues from Transport Scotland to resolve. We are fully aware of the challenges presented by these issues.

Reflecting fully on the report I am very pleased with its findings and what it says about **tie**, its projects and its people. I would like to thank you for your continued professional approach in the face of difficult circumstances.

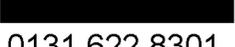
The report was presented to Parliament this morning at 9am and will be used to inform the decision making process of the Scottish Executive. I am advised that a wider debate on Scotland's future transport strategy may be held on the 28<sup>th</sup> June. I am sure the future of the Tram and EARL projects will feature.

I shall, of course, continue to keep you informed as the events unfold in this critical period for us all. In the meantime if you have any questions please speak to a member of the Executive Team or your line manager.

**Willie**

**Suzanne Waugh**

Head of Corporate Communications  
**tie** Limited  
Verity House  
19 Haymarket Yards  
Edinburgh  
EH12 5BH

t:   
m:   
f: 0131 622 8301

[www.tie.ltd.uk](http://www.tie.ltd.uk)