

# **LONDON FIRE COMMISSIONER**

## **SCHEME OF GOVERNANCE**

**1 April 2018**

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## PART 1 – Code of Corporate Governance

### Context

1. The London Fire Brigade ('the Brigade') provides the fire and rescue service for London. The Brigade is governed by the London Fire Commissioner (the 'Commissioner') which is a statutory corporation sole. This Scheme of Governance sets out the Commissioner's governance arrangements, as follows:
  - Part 1 – Code of Corporate Governance
  - Part 2 – Standing Orders relating to Business set out the Commissioner's formal rules for the conduct of business.
  - Part 3 – Standing Orders relating to Procurement set out the Commissioner's formal rules for the purchase of works, goods, and services
  - Part 4 – Delegations to Officers set out the decisions delegated by the Commissioner to Officers
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2. The Commissioner was created under the Greater London Authority Act 1999, following changes brought in by the Policing and Crime Act 2017, which makes them one of the **functional bodies** of the GLA. Consequently:
  - the Mayor of London (the 'Mayor') holds the Commissioner to account for the exercise of the Commissioner's functions
  - the Commissioner's budget is set by the Mayor
  - the Mayor can give guidance and directions to the Commissioner as to the exercise of the Commissioner's functions
  - the London Assembly scrutinises the actions of the Commissioner through their Fire, Resilience and Emergency Planning Committee
  - the Commissioner must have regard to various strategies which the Mayor is required by law to produce
  - the Mayor requires the Commissioner to address certain policy concerns and to work co-operatively with the other functional bodies.
3. The Commissioner is the **Fire and Rescue Authority** for Greater London under the Fire and Rescue Service Act 2004. In this capacity, the Commissioner:
  - must ensure that the Brigade is efficient and effective
  - has a direct and close relationship with the Home Office, the Ministry for Housing, Communities and Local Government and the Cabinet Office, as the government service responsible for fire and rescue services, resilience capabilities and local authorities' resilience arrangements, as well as other government services such as Department for Business, Energy and Industrial Strategy, regarding its fire prevention function
  - must fulfil other statutory functions of the fire and rescue authority.

*Organisational structure*

4. The Commissioner is supported by two Deputy Commissioners and one Director. These officers meet regularly with the Commissioner as the Commissioner's Board ('CB'). Directors meet regularly with their Heads of Service and other senior officers as Directorate Boards ('DBs'). These consider the business and management of directorates and the organisation.
5. Many responsibilities of the Commissioner are undertaken through Delegated Decisions taken by senior officers – Directors and Heads of Service. The delegations to these officers are set out in Part 4 of this Scheme.
6. The Commissioner has statutory officers who have specific duties to ensure the good governance of the body corporate:
  - The **Head of Paid Service** is responsible for reporting to the Commissioner on the co-ordination of the discharge of functions, the numbers and grades of staff required and their organisation, appointment and management. The Commissioner is required to consider any such report within three months of receiving a copy of it.
  - The Section 127 Officer ('**Chief Finance Officer**') of the Greater London Authority Act 1999 reports to the Commissioner on the proper administration of financial affairs and specifically if it appears that the Commissioner or a person holding any office or employment under the Commissioner: (a) has made or is about to make a decision which involves or would involve the Commissioner incurring expenditure which is unlawful, (b) has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Commissioner, or (c) is about to enter an item of account, the entry of which is unlawful. The Section 127 Officer is also required to report to the Commissioner if it appears that the expenditure of the Commissioner incurred (including expenditure proposed to be incurred) in a financial year is likely to exceed the resources (including sums borrowed) available to the Commissioner to meet that expenditure. The Section 127 Officer must send a copy of the report to the Mayor of London and to the Chair of the London Assembly.
  - The **Monitoring Officer** is responsible for monitoring the business of the Commissioner and reporting to the Commissioner upon any unlawful proposals, decisions omissions or actions, by the Commissioner or by anyone holding office or employment under the Commissioner. The Monitoring Officer is also responsible for reporting to the Commissioner any maladministration on the part of the Commissioner or by anyone holding office or employment under the Commissioner that is the subject of a report issued by the Local Government Ombudsman. The Commissioner is required to consider the Monitoring Officer's report within three months of receiving a copy of it.

In addition, the Commissioner may appoint a statutory **Deputy London Fire Commissioner** who may exercise any or all the powers and duties of the Commissioner:

- during any absence, incapacity or suspension from duty of the Commissioner,
- during any vacancy in the office of the Commissioner, or
- at any other time, with the consent of the Commissioner.

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### *Principles of good governance*

7. The Commissioner has adopted the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government* which sets out the core principles on which effective governance should be built. These are:
  - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
  - Ensuring openness and comprehensive stakeholder engagement
  - Defining outcomes in terms of sustainable economic, social, and environmental benefits
  - Determining the interventions necessary to optimise the achievement of the intended outcomes
  - Developing the entity's capacity, including the capability of its leadership and the individuals within it
  - Managing risks and performance through robust internal control and strong public financial management
  - Implementing good practices in transparency, reporting, and audit to deliver effective accountability.
8. This Scheme of Governance incorporates the core good governance principles in a way that is relevant to the Commissioner's role and responsibilities. It also sets out the arrangements for reviewing how effective the Commissioner is in following them.
9. The way in which the Commissioner puts each of the core principles of good governance into practice and its proposals to enhance its governance arrangements are set out below.
10. In **executing a strategy for London in relation to its core functions**, the Commissioner will:
  - explicitly state in their Integrated Risk Management Plan ('the London Safety Plan') how an effective and efficient fire and rescue service is being provided for London
  - develop and implement specific strategies and action plans appropriate to their functions
  - maintains and develop partnerships at borough and pan-London levels
  - operate a performance management framework ensuring that the information needed to scrutinise service delivery is effectively and regularly available
  - support, and appropriately resource, the Commissioner's statutory officers
  - have regard to the statutory powers and duties of their officers when making decisions
  - be innovative in exercising available powers for the benefit of the people of London
  - produce an Annual Governance Statement detailing their adherence to these principles, which is submitted to the Mayor of London and the London Assembly's Fire, Resilience and Emergency Planning Committee
  - collaborate with other emergency services.
11. Ensuring that officers work within **clearly defined functions and roles**, the Commissioner:
  - defines the responsibilities of staff through clear job descriptions, monitoring and managing the performance of their staff
  - defines performance indicators against which performance is regularly monitored by officers and are the subject of regular report to and scrutiny by the London Assembly
  - ensures delivery of service strategies through the adoption of common deliverables in the service plans of all departments

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- demonstrates best practice in their financial management and procurement through compliance with and regular reviews of their Standing Orders, financial regulations and procurement policies
- through the activities of the Section 127 Officer, ensures the financial scrutiny of proposed actions and the management of an annual programme of audits.

### 12. Upholding high standards of **conduct and behaviour**, the Commissioner:

- adopts a set of values which are communicated through initiatives such as staff briefings
- expects senior officers to set a tone for the organisation of openness, support, good communication and respect
- continues to ensure that equality, diversity and inclusion strategy drives best practice and is integral to how the organisation and their staff conduct business
- ensures staff interests and offers of gifts and hospitality to staff are available to be scrutinised through easily accessible registers
- ensures standards and expectations of staff are set and enforced through Brigade policies
- works with the GLA and other functional bodies to maintain common standards of ethical governance in accordance with the GLA Group's Corporate Governance Framework Agreement
- maintain effective policies and procedures on whistle-blowing, compliments, complaints and conflicts of interest, ensuring effective, transparent and accessible arrangements are in place for their management.

### 13. Taking **robust, accountable and transparent decisions**, which are subject to effective scrutiny and risk management, the Commissioner will:

- ensure that informed decisions are taken, based on the correct and sufficient information that has been subject to appropriate due diligence and impact assessments
- ensure robust systems for identifying and managing corporate risks are in place, including the regular review of the Corporate Risk Register by Directorate Boards and the Commissioner's Board and regular reporting of significant risks for scrutiny by the London Assembly
- maintain a statutory publication scheme, ensuring access to information in accordance with the Freedom of Information legislation and refusing access to information only where the public interest in doing so clearly outweighs the public interest in granting access
- acknowledge the scrutiny role of the London Assembly by supporting the Mayor and Deputy Mayor in responding on scrutiny issues and attending the Assembly's appropriate committee as required
- consult on relevant plans, policies and proposals and take account of the results of that consultation in taking decisions
- ensure that as much of its formal business as possible is published and that members of the public can ask questions or raise matters of concern
- ensure good practice in workplace equality and diversity.

### *Assuring the governance arrangements*

14. Each year the Commissioner validates their governance arrangements by preparing an Annual Governance Statement for submission to the external auditor upon the closure of the annual accounts. The Statement must include commentary on the effectiveness of the governance framework, including the system of internal control and an evaluation of performance against this Code. In addition, the Code itself will be reviewed against the CIPFA/SOLACE framework, notable

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practice identified elsewhere and any subsequently produced standards or regulatory guidance. Any actions required to address identified failings or areas for improvement will be included the Annual Governance Statement action plan.

## **PART 2 – Standing Orders Relating to Business**

### **1. Commissioner's Decisions**

- 1.1 Commissioner's Decisions will be taken on the recommendation of, and following consideration of, a report of a Director or Head of Service.
- 1.2 Reports recommending a Commissioner's Decision will be published on the Commissioner's website five clear working days before the report is considered for decision. This Standing Order will not apply where the Commissioner determines that an earlier decision is required to protect the interests of the Commissioner, the community or any members of it.
- 1.3 Commissioner's Decisions will be published not later than the third working day after the decision is taken.
- 1.4 Commissioner's Decisions on reports may be deferred.
- 1.5 The publication requirements set out in Standing Orders 1.2 and 1.3 will not apply to any report or decision containing information which in the written determination of the General Counsel is exempt from disclosure under freedom of information or other legislation. In such cases, and wherever possible, a summary of the report and decision will be published.

### **2. Execution of Documents**

- 2.1 The Seal of the Commissioner shall be kept in the custody of the General Counsel.
- 2.2 The General Counsel will execute and affix the seal to any document which is required to be sealed to give effect to a Commissioner's Decision. The General Counsel will attest the fixing of the seal with their signature. This signature will be a full and sufficient certificate that the document has been duly and validly sealed in compliance with the Standing Orders of the Commissioner.
- 2.3 The General Counsel may execute as a deed under their hand or seal or sign any document required to give effect to a Commissioner's Decision.
- 2.4 The General Counsel may authorise in writing officers of the General Counsel's Department to exercise on their behalf the functions set out in Paragraphs 2.2 and 2.3 of the Standing Orders Relating to Business.
- 2.5 Directors, Head of Service and other officers nominated by Directors may sign any document related to matters for which they are responsible and required to give effect to a Commissioner's or delegated decision. Details of such nominations shall be deposited with the General Counsel.

### **3 Privacy of documents**

- 3.1 Where information is exempt under legislation or otherwise, from disclosure by the Commissioner, the General Counsel may:
  - decide which documents or parts of documents should not be published
  - mark such documents in accordance with the Commissioner's Protective Marking Scheme.
- 3.2 The General Counsel will remove the markings, when they are no longer required, from all or part of the document.

**4. Waiver of Standing Orders**

- 4.1 Following consultation with the General Counsel, any provision of these Standing Orders Relating to Business may be waived, suspended or amended by a Commissioner's Decision.



## **PART 3 – STANDING ORDERS RELATING TO PROCUREMENT**

### **Procurement Standing Orders**

The Commissioner is a contracting authority for the purposes of the EU Procurement Regime and is required to comply with certain statutory practices and procedures in relation to procurement

These Procurement Standing Orders ('PSOs') apply to all procurements and Contracts of the Commissioner.

#### **1. General principles**

- 1.1. In dealing with any matter concerning a procurement or proposed procurement, officers will –
  - 1.1.1. comply with all legal requirements, including the EU Procurement Regime and Standing Orders (including Financial Regulations);
  - 1.1.2. ensure that strict impartiality is maintained and shown to be maintained;
  - 1.1.3. not intentionally under or over-estimate values or divide potential Contracts into separate parts in order to avoid applying the PSOs or the EU Procurement Regime;
  - 1.1.4. ensure that no Tender is accepted unless it is the most economically advantageous tender and that it provides to the Commissioner the appropriate quality of service and value for money;
  - 1.1.5. ensure that the Commissioner's interests are always protected;
  - 1.1.6. comply with advice or guidance given by the Assistant Director (Technical and Commercial Services), the Director of Corporate Services the General Counsel or the professional advice of any other appropriate officer.;
  - 1.1.7. ensure that all Contracts and extensions and variations of Contracts are in writing and records of them are kept.

#### **2. EU Thresholds**

Where the estimated value of the Contract is in excess of the relevant EU Threshold, the procedures set out in the EU Public Procurement Directives must be followed.

#### **3. Procurement Authority**

Procurement Authority is the authority to approve procurement initiation, accept a Tender, award and enter into a Contract in accordance with these PSOs. Procurement Authority also extends to any action required under any existing Contracts (e.g. deductions for unsatisfactory performance or giving notice and termination of Contracts), except where actions relating to Contract performance are in accordance with a formula or process included in the Contract.

Procurement Authority must be granted in writing by a Commissioner's Decision or Delegated Decision.

Procurement Authority does not include execution of the Contract, which is subject to PSO 18.

Before Contract award, the Client Lead Officer must be satisfied and document that there is Financial Authority and Procurement Authority.

#### **4. Procurement Initiation**

Procurement initiation requires Procurement Authority. The approval to initiate a procurement is subject to the expenditure involved having been included in estimates and sufficient Budget Provision having been made in the Commissioner's capital or revenue budgets.

The estimated value of a Contract shall be the total anticipated spend under that Contract including all options to extend the term, net of VAT.

In all cases, the relevant Head of Service, after consultation with the Assistant Director (Technical and Commercial Services), shall designate a senior officer as Client Lead Officer for the procurement of the Contract. The Client Lead Officer must ensure, having taken advice or guidance under PSO 1.1.6 as necessary, that the procurement and award of the Contract is in compliance with these PSOs. The Client Lead Officer must always be a person other than the person with Procurement Authority for the Contract.

To begin the procurement of a new Contract, a Procurement Request must be completed by the Client Lead Officer. The only exception to this is for those Contracts under the value of £10k, which shall be managed by the relevant Head of Service, in accordance with these PSOs.

#### **5. Extensions of existing Contracts**

- 5.1. Any extension of a Contract which does not fulfil the criteria in PSO 5.2 or 5.3 requires specific approval from the officer with the relevant Procurement authority following, consultation with the Assistant Director (Technical and Commercial Services) and the General Counsel
- 5.2. Subject to the EU Procurement Regime, where the terms of a Contract do not provide for an extension of that Contract, a Head of Service can, with the concurrence of the Director of Corporate Services and after consultation with the General Counsel and the Assistant Director (Technical and Commercial Services), extend the period of an existing Contract once, if all the following criteria are met:
  - 5.2.1. a more economically advantageous arrangement is unlikely to be obtained from retendering, or a best value business case justifies the extension;
  - 5.2.2. the existing Contract was let following competitive tendering in accordance with the PSOs (or its predecessor);
  - 5.2.3. the Contractor's performance under the existing Contract has been satisfactory;
  - 5.2.4. the extension does not exceed one year or the original Contract period whichever is less;
  - 5.2.5. all the terms of the existing Contract, except its period and value, remain substantially unchanged; and
  - 5.2.6. the value of the extension of the Contract does not exceed 50% or the original Contract value when it was first entered into.
- 5.3. Any Contract for which appropriate authority has been given in accordance with these PSOs which contain an extension clause may, with the approval of the Assistant Director (Technical and Commercial Services), be extended in accordance with its terms.

## 6. Contract register

The Assistant Director (Technical and Commercial Services) must ensure that a register is maintained of all Contracts and any extensions and variations of Contracts.

## 7. Exceptions to competitive Tendering

7.1. Subject to compliance with the EU Procurement Regime, all Tenders must be invited on a competitive basis unless:

7.1.1. the estimated Contract value is not more than £26,000 and the Head of Service, in consultation with the Assistant Director (Technical and Commercial Services), is satisfied that the invitation of more than one Tender would not be economically justifiable; or

7.1.2. one or more of the conditions in PSO 7.2 applies, and the Assistant Director (Technical and Commercial Services) has been consulted and agrees that the requirement may be dispensed with.

7.2. The three conditions are:

**Condition A:** the works, goods or services are only available from one supplier;

**Condition B:** the works, goods or services are required urgently (e.g. to protect life or property against immediate threat or to maintain the functioning of the Commissioner's Service) and the urgency does not permit the invitation of a written Tender and

7.2.1. the Head of Service obtains an oral Tender (or, if that too is impracticable, an oral indication of the likely price) and is satisfied that the Commissioner will obtain value for money; and

7.2.2. the terms of the Contract are confirmed in writing to the Contractor within 24 hours of any order being placed.

**Condition C:** the Commissioner (having been consulted by the person with Procurement Authority has decided, having considered the reasons and taken advice from the General Counsel, that special circumstances other than those in Conditions A to C make it appropriate and desirable that the Contract is negotiated with a single Contractor or that the normal competitive tendering arrangements should be suspended.

## 8. Preliminary advertisement

8.1. Where UK law, the EU Procurement Regime or decision by the Commissioner requires public advertisement inviting Contractors to express interest in tendering for a Contract, the Assistant Director (Technical and Commercial Services) shall, after consultation with the Head of Service and the General Counsel place advertisements in the OJEU where required to do so by the EU Public Procurement Regime or, if not required to do so, in such other publications as the Assistant Director (Technical and Commercial Services) (after consulting with the Head of Service) considers appropriate. In both cases the E-Tendering Systems should also be used.

8.2. For all Contracts not within PSO 8.1 but for which competitive Tenders are to be invited, the Assistant Director (Technical and Commercial) must, after consultation with the Head of Service, place such advertising, if any, as the Assistant Director (Technical and Commercial) considers necessary to ensure that the Commissioner achieves a competitive response to a Tender invitation.

## **9. List of potential Tenderers**

- 9.1. Where expressions of interest have been sought by advertisement under PSO 8, Tenders must be invited from:
- 9.1.1. Contractors who have responded, having satisfied the published selection criteria; and
- 9.1.2. such other Contractors (if any) as the Head of Service, advised by the Assistant Director (Technical and Commercial Services) considers necessary to achieve a competitive response, provided it is in accordance with the EU Public Procurement Regime; and except in circumstances set out in the EU Public Procurement Regime, where Tenders may only be invited from Contractors who have responded to the public advertisement.
- 9.2. For Works Contracts for which expressions of interest have not been sought under PSO 8, Tenders must be invited from –
- 9.2.1. Contractors who have satisfied the published selection criteria on Construction Line; and
- 9.2.2. such other Contractors (if any) as the Assistant Director (Technical and Commercial Services) considers necessary to achieve a competitive response.
- 9.3. For any Contract not within PSOs 8.1 or 8.2, Tenders must be invited from Contractors who have satisfied the published selection criteria and have been identified by the Head of Service after consultation with the Assistant Director (Technical and Commercial).
- 9.4. If the Contract value exceeds £50,000, and either the Contract period is likely to be for more than six months or the Contract provides for interim payments, the Head of Service must take advice on the proposed Tenderers' financial standing from the Assistant Director (Technical and Commercial Services) who can place a limit on the value of the Contract which a Contractor can undertake.

## **10. Contract requirements**

- 10.1. Every Contract must contain a specification of requirements which must:
- 10.1.1. be appropriate to the type of Contract to be entered into;
- 10.1.2. set out the required quality and/or performance standards or outputs; and
- 10.1.3. be suitable to be used to assist in evaluating Tenders received and in managing and monitoring the Contract.
- 10.2. Every Contract must contain conditions which provide for:
- 10.2.1. the Contractor to:
- comply with the law;
  - comply with the contract conditions and meet their obligations under the Contract;
  - not, without the prior consent of the Commissioner, employ employees of the

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Commissioner;

- not, without the prior written agreement of the Commissioner, assign all or part of the Contract or sub-let all of the Contract and to remain liable for ensuring that a sub-contractor complies with the terms of the Contract;
- unless exceptionally the Director of Corporate Services agrees otherwise:
  - have insurance (including professional indemnity insurance at the appropriate level) no less than the value of the Contract which must be agreed in advance of the procurement by the Director of Corporate Services;
  - have in place appropriate financial, parent company and performance guarantees (to be determined by the Director of Corporate Services).
- comply with the Commissioner's protocol on press/public relations;
- where appropriate, recognise the Commissioner's intellectual property rights; and
- where the Contractor is subject to the Freedom of Information legislation, comply with the Freedom of Information legislation and to co-operate with the Commissioner to enable the Commissioner to comply with the Freedom of Information legislation;
- in the event of the Contractor outsourcing, provide information in relation to the transfer of an undertaking in accordance with the Transfer of Undertakings (Protection of Employment) legislation or other legislation or codes of practice.

10.2.3. the terms of payment under the Contract and any arrangements, if appropriate to the particular circumstances of the Contract, for variations of cost and retention of monies; and

10.2.4. the right of the Commissioner to terminate the Contract if there is a breach by the Contractor.

10.3. Every Contract must contain the following conditions or conditions having a similar effect in respect of Equalities and Labour:

### ***Equalities***

During the term of the Contract:

10.3.1. The Contractor shall not itself, or through a servant or agent, discriminate against harass or victimise any person on any grounds, contrary to the provisions of the Equality Act 2010 or any other successor legislation from time to time in force.

10.3.2. The Contractor shall comply with the terms of the Commissioner's Equalities Protocol, as set out in the schedule to the Contract. Such compliance is a condition of the contract. In the event that the contractor fails to comply in any material respect with any of the terms in 1 to 7 of the Equalities Protocol, the Commissioner shall have the right to terminate the contract.

***Advancing equality***

- 10.3.3. The Contractor shall work with the Commissioner as reasonably required throughout the term of the Contract to enable the Commissioner to fulfil its duties under the Equality Act 2010, and any other successor legislation from time to time in force, advancing equality of opportunity for all persons.
- 10.3.4. Compliance with clause 10.3.1 above is a condition of the contract. In the event that the contractor breaches any provision of the clause in a material respect, the Commissioner shall have the right to terminate the contract.

***Labour***

- 10.3.5. During the term of the Contract:
- the Contractor shall comply fully with the terms of any collective agreement entered into between one or more trade unions and any association of employers of which the Contractor is a member;
  - the Contractor will not itself, or through a servant or agent, perform any act intended to discourage employees or prospective employees from becoming or continuing as members of a trade union;
  - the Contractor will not itself, or through a servant or agent, discriminate against employees or prospective employees in any way by reason of their membership of a trade union.
- 10.3.6. Compliance with clause 10.3.5 above is a condition of the contract. In the event that the contractor breaches any provision of the clause in a material respect the Commissioner shall have the right to terminate the contract.
- 10.4. Appropriate clauses shall be included in the contractual documentation where the Head of Service in association with the General Counsel and the Assistant Director (Technical and Commercial Services), considers that the Mayor's Responsible Procurement Policy as adopted by the Commissioner is relevant to the procurement.
- 10.5. The Assistant Director (Technical and Commercial Services) will have discretion, after consultation with the General Counsel, to depart from and/or modify the requirements of PSO 10.2 if they are satisfied that it is in the Commissioner's interests to do so in a particular Contract or Contracts.
- 10.6. A set of precedent contracts for the supply of goods and services is available and kept under review by the Assistant Director (Technical and Commercial Services) in consultation with the General Counsel.
- 10.7. For Contracts which are complex or unusual in terms of specification, performance, financial, or legal risk, legal advice must be obtained from the General Counsel when drafting Contract documentation.
- 10.8. Contracts with an estimated value exceeding £500,000 should normally be executed as deeds. Contracts in which there is no financial consideration must be executed as deeds.

**11. Tender documentation and instructions**

11.1 All Tender documentation and instructions to tenderers must be authorised in advance and issued by the Assistant Director (Technical and Commercial).

**12. Evaluation Criteria**

12.1. In the preparation for inviting Tenders, the evaluation criteria, any sub-criteria, weightings and scoring criteria which are to be attached to individual criteria and sub-criteria to be used in the evaluation of Tenders for the award of a Contract must be identified in writing by the Client Lead Officer.

12.2. All criteria and any sub-criteria must be capable of objective assessment, include price and other relevant factors, and be weighted by relative importance.

12.3. The invitation to Tender must state the evaluation criteria, any sub-criteria, weightings and scoring criteria.

**13. Communications with Tenderers**

13.1 Once the Tender documentation has been issued to prospective tenderers, the Assistant Director (Technical and Commercial) is responsible, during the Tender period, for all further communications with individual prospective tenderers, including determining the granting of extensions of time or the provision of further information and any clarifications.

**14. Receipt, security and opening of Tenders**

14.1. All Tenders must be opened at the same time and at the same place as soon as reasonably practicable after the closing date and time for return stated in the Tender documents.

14.2. All Tenders must be opened by an officer authorised by the Assistant Director (Technical and Commercial Services) to open Tenders, and the Assistant Director (Technical and Commercial Services) shall hold a list of officers who are authorised for this purpose.

14.3. All Tenders are returned to the E-Tendering System's 'lock-box' which cannot be opened until after the deadline for return of Tenders. Once the deadline has passed, an online verification process shall be undertaken by the Assistant Director (Technical and Commercial) on behalf of departments. The E-Tendering System automatically records all actions undertaken for auditing purposes.

**15. Late Tenders**

15.1. Late Tenders will not be considered unless the Assistant Director (Technical and Commercial) is notified in advance of legitimate technological problems (E-Tendering Systems can provide audit trails to confirm/refute assertions in this area).

15.2. This provision does not apply where a single Tender is invited.

**16. Examination and evaluation of Tenders**

16.1. All Tenders must be examined and evaluated against the criteria determined under PSO 12.

16.2. All Tenders must be evaluated on the basis of the tendered price, except that obvious errors in a Tender price, whether found by the tenderer or by the Head of Service, must be corrected with

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the agreement of both parties Assistant Director (Technical and Commercial) on behalf of the Commissioner) and a written record made of the change(s) together with their reasons.

- 16.3. Where the price on the form of Tender differs from the total of the detailed Tender breakdown, the latter figure must be used for evaluation purposes and the tenderer must be advised that the total of the detailed breakdown will be used as the Contract price and their confirmation obtained before awarding the Contract.
- 16.4. No Tender will be automatically rejected merely on the basis of an extremely low price.
- 16.5. Subject to compliance with the EU Procurement Regime, following evaluation under the criteria in PSO 12 and in order to ensure that the Commissioner achieves best value for money, after consultation with the General Counsel and the Assistant Director (Technical and Commercial), the Head of Service may explore with the preferred tenderer any options for achieving price savings which will maximise the potential benefits to the Commissioner. In all such cases, the justification for, and the results of, the exploration must be fully documented so that a clear 'audit trail' is available.
- 16.6. The Client Lead Officer shall produce a written Evaluation Report evaluating each Tender received against the evaluation criteria. The report shall identify the tenderer who has submitted the most economically advantageous Tender i.e. the Tender that achieves the highest score in the evaluation and recommend the award of the Contract to that tenderer. This report shall be submitted to the person who has Procurement Authority under PSO 3 in respect of the Contract concerned.

### **17. Acceptance of Tenders**

No Tender can be accepted unless:

- 17.1. the Head of Service has considered the price, having regard to the Tender evaluation criteria, the estimate included within the Procurement Request and is satisfied that:
  - 17.1.1. the price is the most economically advantageous,
  - 17.1.2. Budget Provision is sufficient,
  - 17.1.3. the draw down of funds have been approved, and
  - 17.1.4. they have Procurement Authority.
- 17.2. any requirements specified by the Director of Corporate Services, General Counsel and Assistant Director (Technical and Commercial) have been satisfied before the Contract is awarded;
- 17.3. all necessary consents have been obtained and consultations concluded respectively and any prior conditions attached to consents have been met.

The Evaluation Report shall confirm how these requirements are met.

### **18. Contract authorisation and execution**

Prior to the Contract being executed, the Client Lead Officer shall confirm in writing to the person who is authorised to execute the Contract (see Part 2 Standing Order 3), that there is Procurement Authority and Financial Authority for the Contract.



**19. Contract management and monitoring**

The Head of Service responsible for the Contract must:

- 19.1 ensure that effective management arrangements are in place to secure delivery of the Contract;
- 19.2 after consultation with the Assistant Director (Technical and Commercial) Director of Corporate Services and the General Counsel as appropriate, deal with all matters arising from the management of the Contract including delays or claims by Contractors; and
- 19.3 provide the Assistant Director (Technical and Commercial Services) with an evaluation of the Contractor's performance at intervals he specifies.

## **PART 4 – DELEGATIONS TO OFFICERS OF THE LONDON FIRE COMMISSIONER**

### **1. Introduction**

- 1.1 The Commissioner delegates to Directors and Heads of Service, and officers nominated by Directors to act on the Commissioner's behalf, the functions set out in the Delegations to Officers in this Part 4 of this Scheme of Governance. Such nominations shall not be effective unless lodged with the General Counsel and published on the Commissioner's website.
- 1.2 The Commissioner may make additional specific or general delegations from time to time.
- 1.3 The exercise of all functions delegated is subject to:
- The Standing Orders in Part 2 of this Scheme of Governance
  - All decisions, policies, procedures, codes of practice and protocols adopted by the Commissioner (or the predecessor Authority to the extent that they remain relevant)
  - Any expenditure falling within the Commissioner's approved budget
  - The responsibility of staff appointed to management and supervisory posts to manage staff and resources
  - Consultation with professional and operational officers, external advisers and the Commissioner's statutory officers as appropriate
  - Consultation with staff and their representatives where appropriate.
- 1.4 Any functions delegated to a Head of Service may be exercised by their Director and with the consent in writing of the Commissioner, any function delegated to a Director may be exercised by a Head of Service within their Directorate.
- 1.5 Any delegated function may be exercised by the Commissioner.

### **2. Delegations**

#### *2.1 All Directors*

- The approval of any proposal (including approvals required under the Procurement Standing Orders set out in Part 3 of this Scheme of Governance and its consequential expenditure involving estimated expenditure of up to £150,000, subject to consultation with the Director of Corporate Services (or Assistant Director (Finance) where the Director is the decision-maker)
- The authorisation in writing of employees of the Commissioner to exercise emergency powers under Section 44 of the Fire and Rescue Service Act 2004.

#### *2.2 All Heads of Service*

- The determination of the number and duties of posts in their department
- The appointment, management and dismissal of staff below Head of Service level
- The approval of any expenditure
  - up to £50,000 per transaction or item, or
  - of a recurring nature, incurred at least annually and not exceeding £150,000
- The approval of expenditure to be reimbursed by the Commissioner's insurers or from some other source

## Scheme of Governance – Delegations to Officers

- The approval and waiver of charges for publications, information, service or facilities provided by the Commissioner following consultation with the Director of Corporate Services
- The approval of minor changes to policies and procedures of which they are the designated custodian
- The writing off of losses up to £500

### 2.3 *The Director of Corporate Services*

- The approval of treasury management action
- The approval of borrowing
- The determination of Stage 2 Internal Dispute Resolution Procedure appeals under the Firefighters Pension Scheme
- The amendment of service budgets to reflect income received.
- The exercise of the Commissioner's powers as shareholder of London Fire Brigade Enterprises Limited
- The writing off of losses up to £100,000

### 2.5 *All Assistant Commissioners and all Deputy Assistant Commissioners*

- The approval of prohibition notices under Article 31 of the Regulatory Reform (Fire Safety) Order 2005

### 2.4 *The Assistant Commissioner (Fire Safety)*

- The authorisation of Fire Investigating Officers under Section 45 of the Fire and Rescue Service Act 2004
- The appointment of
  - Fire Safety Inspectors under Article 26 of the Regulatory Reform (Fire Safety) Order 2005
  - Inspectors under Section 19 Health and Safety at Work etc. Act 1974
  - Such other statutory inspectors or enforcement officers as the Commissioner is empowered to appoint
- The approval of enforcement action including statutory alteration, enforcement and other notices
- The grant of exemptions in accordance with the Fire Precautions (Sub-Surface Railway Stations) Regulations 2009
- The approval and termination of primary scheme agreements and memoranda of understanding relating to fire safety.

### 2.5 *Assistant Director (People Services)*

- The approval of nil cost employee benefit and salary sacrifice schemes
- The implementation of agreements secured through joint negotiating arrangements
- The approval of trades union facilities agreements
- The approval of the grading of posts
- The approval of redundancy, settlement and termination payments
- The extension or reduction of sick pay to staff.
- The approval of the employment of Commissioner's staff by contractors to the Commissioner
- The exercise of discretions under the Firefighters Pension Schemes and the Local Government Pension Scheme

### 2.6 *Assistant Director (Communications)*

- The approval of the terms of sponsorship arrangements and agreements with organisations external to the Brigade

## Scheme of Governance – Delegations to Officers

- The approval of communications strategies and new communications tools in line with those strategies.

### 2.7. *Chief Information Officer*

- The approval of the Commissioner's Publication Scheme.

### 2.8 *General Counsel to the Commissioner*

- The authorisation of prosecutions by the Commissioner following consultation with the Assistant Commissioner (Fire Safety)
- The discontinuance of prosecutions following consultation with the Assistant Commissioner (Fire Safety)
- The authorisation of civil proceedings by the Commissioner
- The taking of any action to support the statutory functions, or protect the assets, of the Commissioner, or to protect the community or its members, including the initiation and defence of any judicial or quasi-judicial proceedings, the laying of informations and the submission and defence of appeals
- The authorisation of officers (not being certificated solicitors, certificated barristers or chartered legal executives) to appear on the Commissioner's behalf in legal proceedings.
- The authorising, following consideration of a recommendation of a Director, of legal representation for employees of the Commissioner who are involved in legal proceedings arising in connection with the discharge of their duties
- The taking of any action to facilitate the compliance by the Commissioner with a decision of a court or tribunal
- To act as Solicitor to the Commissioner taking such action as flows from that appointment
- The appointment of counsel, solicitors, transcribers, inquiry agents and agency services and consultants.
- The settlement of any claim, including claims for costs, by or against the Commissioner up to £150,000
- The negotiation and approval of legal documentation, in accordance with any recommendations from a Director, Assistant Director or Assistant Commissioner, to give effect to any decision of the Commissioner.

### 2.9 *Assistant Director (Technical and Commercial)*

- The declaration of property as surplus to requirements
- The approval of terms for the acquisition or disposal of freehold property
- The approval of terms for the letting of residential accommodation
- The approval of terms for the grant or taking of leases and licenses
- The approval of energy contracts
- The approval of terms for the disposal of unwanted vehicles and equipment
- The approval of contracts and other agreements for the purchase of works, goods or services up to a value of £150,000.

### 2.10 *Assistant Director (Finance)*

- The determination of Stage 1 Internal Dispute Resolution Procedure appeals under the Firefighters and Local Government Pension Schemes

## PART 5 – APPOINTMENTS BY THE LONDON FIRE COMMISSIONER OF STATUTORY AND PROPER OFFICERS

### 1.1 Statutory Officers

<b>Statutory Officer</b>	<b>Officer Appointed</b>
Deputy London Fire Commissioner	Deputy Commissioner (Operations)
Head of Paid Service	Director of Corporate Services
Chief Finance Officer	Director of Corporate Services
Monitoring Officer	General Counsel

### 1.2. Proper Officers

<b>Statutory Provision</b>	<b>Responsibilities</b>	<b>Officer Appointed</b>
Section 115 Local Government Act 1972	Taking receipt of monies due to the Commissioner and held by officers.	Assistant Director (Finance)
Section 146 Local Government Act 1972	Provision of statutory declaration/certificate specifying securities and verifying change of name and identity of The Commissioner.	Assistant Director (Finance)
Section 225 Local Government Act 1972	Taking receipt of and retaining documents deposited with The Commissioner.	Head of Information Management
Section 229 Local Government Act 1972	Certifying photographic copy as true copy of document which is in The Commissioner's possession or which has been destroyed whilst in The Commissioner's possession.	Head of Information Management
Section 234 Local Government Act 1972	Authentication of documents which the Commissioner is authorised /required by/under legislation to give/make/issue.	General Counsel
Section 23 Landlord and Tenant Act 1927	Taking receipt of service of notices.	Assistant Director (Technical and Commercial Services)
Section 30 Local Government Act 1974	Giving public notice by advertisement in newspapers of availability of LGO's report.	General Counsel

Scheme of Governance – Appointment of Statutory and Proper Officers

<b>Statutory Provision</b>	<b>Responsibilities</b>	<b>Officer Appointed</b>
Section 41 Local Government (Miscellaneous Provisions) Act 1976	Certifying copies of resolution/order/report/minutes of the Commissioner or minutes of its predecessors.	General Counsel
Section 2(4) Local Government and Housing Act 1989	Taking receipt from the Commissioner of deposited list of politically restricted posts.	General Counsel
Local Government Area Change Regulations 1976	Duties relating to transfer of statutory registers to successor authorities.	General Counsel
Article 37(1) of the General Data Protection Regulations 2016	Data protection officer	Head of Information Management

## **PART 6 – FINANCIAL REGULATIONS**

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## **Financial Regulations**

These Financial Regulations (Regulations) set out how the Commissioner meets their statutory responsibilities in relation to the administration of their financial affairs.

### **1. Scope of these Regulations**

- (a) All members and staff have a responsibility for resources under their control, ensuring that the use is legal, appropriately authorised, offers value for money and best value.
- (b) All staff who have responsibility for financial management or who have control of budgets must adhere to these Regulations.

### **2. Financial Management Responsibilities**

- (a) The Director of Corporate Services has responsibility for the administration of the Commissioner's financial affairs, under Section 127 of the Greater London Authority Act 1999, and is required to ensure that arrangements are made by Heads of Service for all financial and accounting matters and the security of money and other assets are economic, efficient and effective.
- (b) The Director of Corporate Services is also required to:
  - set and monitor compliance with financial management standards;
  - advise on the corporate financial position and on the key financial controls necessary to secure sound financial management;
  - provide financial information;
  - prepare the revenue budget and capital programme;
  - carry out treasury management and;
  - prepare the Commissioner's statutory statement of accounts and accounting returns.
- (c) Heads of Service must consult with the Director of Corporate Services on issuing financial instructions and making arrangements as necessary.
- (d) All financial systems, methods, records and controls must be agreed with the Director of Corporate Services. The Director of Corporate Services reports to the Commissioner not less frequently than once a year on the effectiveness of the financial administration.

## **FINANCIAL PLANNING, MONITORING AND CONTROL**

### **3. Budget process**

- (a) The Mayor is responsible for setting a consolidated budget and council tax requirement for the Commissioner.

### **4. Budget timetable**

- (a) The Commissioner receives budget guidance from the Mayor in the early summer and then sets their detailed budget for the following financial year in March in line with the overall funding level set by the Mayor.

### **5. Revenue budgets**

- (a) The Commissioner is responsible for management of the approved budgets, Heads of Service must:
- advise the Commissioner of the financial implications of all proposals (as previously agreed by the Director of Corporate Services);
  - advise the Director of Corporate Services on variations and take action to avoid exceeding their budget allocation;
  - consult with the Director of Corporate Services on issuing instructions for all financial and accounting matters and the security of money and other assets;
  - agree in year virements (transfers of budget) within delegated limits (in consultation with the Director of Corporate Services).

### **6. Capital Budgets**

- (a) The Director of Corporate Services must prepare the medium-term capital programme and annual capital estimate for approval by the Commissioner as part of a November budget submission to the Mayor and in the final budget report.

### **7. Reserves**

- (a) To meet the requirement of the Local Government Act 2003 in respect of adequacy of reserves and to comply with the guidance on local authority reserves and balances issued by The Chartered Institute of Public Finance and Accountancy (CIPFA), the Commissioner must provide, as part of the budget submission to the Mayor:
- a statement of reserve policy;
  - details of all reserves and general balances;

## Scheme of Governance – Financial Regulations

- an analysis and explanation of the expected movements between the start and end of each financial year;
  - medium term forecast;
  - in the case of earmarked reserves, an indication should be given as to when they are likely to be applied; and
  - proposed allowances for contingencies separately identified and justified.
- (b) In support of the detailed statement on the adequacy of reserves, the corporate and service financial risk assessment must be refreshed annually.

### **8. Budget Monitoring**

- (a) The Director of Corporate Services must provide appropriate financial information to enable budgets to be monitored effectively.
- (b) Each Head of Service must actively manage the budget delegated to them and control income and expenditure within their area and to monitor performance, taking account of financial information provided by the Director of Corporate Services.
- (c) At least once a month the Director of Corporate Services will provide access to budgetary control information to Heads of Service and guidance on variances that require explanation. Heads of Service are required to provide an explanation of key variances within agreed timetables.
- (d) Heads of Service must continually monitor and control the budgets, in respect of income and expenditure, and forecast out-turn, throughout the financial year and:
- forecast outturn and report on all variances at thresholds set by the Director of Corporate Services to the Director of Corporate Services;
  - advise of any action to be taken to contain under or over spends; and
  - review outstanding orders and the forecast position on agency payments to the end of the year.
- (e) Heads of Service must advise the Director of Corporate Services of the financial impact of the long-term forecasts (Medium Term Financial Strategy) for income and expenditure for each of the activities being undertaken.
- (f) Following consultation with the relevant Heads of Service the Director of Corporate Services will present budget monitoring reports to the relevant Board regularly.

## 9. Virements (Transfers of Budget)

A virement is a transfer of a revenue budget that has not been committed. Virements between capital and revenue budgets are not permitted.

- (a) With the agreement of the Director of Corporate Services Directors may transfer up to £150,000 between budget heads within that department's approved budget.
- (b) With the agreement of the Director of Corporate Services, a Head of Service may transfer up to £50,000 from a budget head within that department's approved budget to a budget head within another department's approved budget, but if those budget heads are in different Directorates the agreement of the appropriate Director or the Commissioner is also required.
- (c) With the agreement of the Director of Corporate Services Directors may transfer up to £150,000 from a budget head within that department's approved budget to a budget head within another department's approved budget.
- (d) The Director of Corporate Services shall report all transfers under (b) and (c) to the Commissioner as part of the quarterly financial position reports.
- (e) A virement is also permissible to gross up income and expenditure budgets to reflect the in-year receipt of income.

## 10. Accounting Records

- (a) The Director of Corporate Services must maintain accurate accounting records to ensure that the Commissioner meets their obligation to manage public resources. To achieve this the Director of Corporate Services is required by the Accounts and Audit Regulations 2015 to:
  - Develop the accounting procedures and records for the Commissioner;
  - Arrange for the collation of all accounts and accounting records;
  - Make arrangements for the audit of the Commissioner's accounts and ensure all claims for funds including grants are made by the due date;
  - Prepare and publish the audited accounts of the Commissioner for each financial year and ensure the Commissioner approves the statement of accounts before 31 July; and
  - Retain all financial documents in accordance with statutory and the Commissioner's requirements.
- (b) The Director of Corporate Services is responsible for the preparation of the Commissioner's statement of accounts. The statement of accounts is required to ensure that the financial position correctly reflects the Commissioner's income and expenditure, correct accounting records are maintained, suitable accounting policies are selected and applied and systems of internal control are in place.

- (c) The Director of Corporate Services is responsible for the completion, in a timely manner, of all statutory accounting returns.

## **FINANCIAL CONTROLS AND INSURANCE**

### **11. Financial Risk Management and Insurance**

- (a) Heads of Service are required to immediately advise the Director of Corporate Services of:
- the acquisition or disposal of assets requiring insurance cover;
  - any incident or occurrence that may adversely affect the Commissioner's assets and likely to give rise to a claim on the Commissioner's insurers;
  - any incident or occurrence that might give rise to a claim against the Commissioner such notice or estimate is to also be given to the General Counsel.
  - any incident or occurrence that might give rise to a claim being made by the Commissioner on its insurance policies, for e.g. thefts, accidents; and
  - in cases of marine and motor accidents such notice or estimate is to also be given to the General Counsel.
- (b) The Director of Corporate Services is responsible for negotiating all claims with the Commissioner's insurers.
- (c) Heads of Service must consult with the Director of Corporate Services and the General Counsel in respect of any terms of any indemnity which the Commissioner is requested to give.
- (d) The Director of Corporate Services is responsible for ensuring that proper insurance exists where appropriate and the level of cover and risk is reported in the Statement of Accounts.

### **12. Internal controls**

- (a) The Director of Corporate Services must identify, meet and monitor compliance with the Commissioner's statutory obligations and to ensure that the Commissioner's assets and interests are safeguarded.
- (b) When allocating tasks dealing with the control of the Commissioner's assets, officers must:
- separate the tasks of providing information about amounts due to or from the Commissioner and calculating, checking and recording these amounts from the task of collecting or paying them; and

## Scheme of Governance – Financial Regulations

- ensure staff with the task of examining or checking the accounts of cash transactions must not themselves be involved in these transactions.
- (c) The Director of Corporate Services is responsible for:
- advising on effective systems of internal control which need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice; and
  - ensuring that the Commissioner's funds are properly safeguarded and used economically and efficiently.

### **13. Internal Audit**

- (a) The Commissioner is required to make arrangements for the proper administration of their financial affairs and maintain an adequate and effective system of internal audit of their accounting records and control systems.
- (b) The Head of Internal Audit, who reports to the Director of Corporate Services, liaises closely with the Director of Corporate Services.
- (c) Heads of Service are required to provide the Head of Internal Audit:
- access at all reasonable times to enter any the Commissioner premises or land;
  - access to records, documents and correspondence relating to any transaction of the the Commissioner;
  - explanations as are necessary concerning any matter under examination; and
  - access to any asset or property under their control.
- (d) Heads of Service are required to ensure that any agreed actions arising from audit recommendations are carried out to agreed deadlines.
- (e) Heads of Service are required to inform the Director of Corporate Services, of any matter which involves irregularities or any suspected irregularity concerning cash, stores, property or any irregularity in the exercise of the functions of the Commissioner.
- (f) Where there are sufficient grounds to believe that a criminal act has been committed, the Director of Corporate Services will consult with the General Counsel and, as appropriate with the Commissioner or his/her nominated officer, before referring the matter to the police for investigation.
- (g) Any confirmed irregularities falling under the responsibilities of internal audit may result in the Commissioner taking disciplinary action against those responsible.

## Scheme of Governance – Financial Regulations

- (h) Heads of Service are required to ensure that records and assets are properly maintained and securely held.
- (i) Heads of Service are responsible for contingency plans for the security of assets and the continuity of service in the event of disaster or system failure.
- (j) The Head of Internal Audit must provide an annual report to the Commissioner which:
  - Gives an opinion on the overall adequacy and effectiveness of the Commissioner's control environment, disclosing any qualification to that opinion, together with the reasons for the qualification;
  - Summarises the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies;
  - Draws attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the Annual Governance Statement;
  - Compares the work undertaken against that planned and summarises audit performance; and
  - Comments on Internal Audit's compliance with the CIPFA Code of Practice for Internal Audit in Local Government in the UK.
- (j) The Head of Internal Audit will notify the Director of Corporate Services of any loss or financial irregularity and will use this information to inform the opinion on the internal control environment and the Internal Audit work programme.
- (k) Internal Audit leads on anti-fraud and corruption. It is responsible for:
  - Updating and maintaining the Commissioner's Anti-Fraud Policy;
  - Leading the Commissioner's work on fraud prevention;
  - Conducting investigations into potential fraud or abuse involving members, staff or contractors; and
  - Making recommendations to address any control weaknesses identified as a result of investigative work.
- (l) The Director of Corporate Services ensures that serious losses and irregularities are reported to the relevant Board.
- (m) The Director of Corporate Services agrees the draft audit plan with the Head of Internal Audit prior to approval by the Commissioner.
- (n) The Director of Corporate Services reports progress in implementation of internal audit recommendations to the Commissioner.

#### **14. Fraud and Corruption Irregularities**

- (a) In all matters, Heads of Service shall comply with the Commissioner's Counter Fraud And Corruption Policy, and Response Plan.

#### **15. Stores**

- (a) Heads of Service are responsible for the safe custody and control of stores held by their department and to ensure that the stocks held at any one time reflect consumption needs and do not exceed an appropriate level necessary to service the appropriate operations.
- (b) Heads of Service must undertake stock checks of all stores at least once each financial year in accordance with a programme approved by the Director of Corporate Services.
- (c) For every stocktaking, a list shall be prepared of the stock checked, indicating discrepancies with the stock records. Each list is to be accompanied by a certificate from the Head of Service that the stock shown in the list is held and whether the stock is in good condition and necessary and suitable for the requirements of the department.
- (d) A copy of the list is to be forwarded to the Director of Corporate Services. The Head of Service is to determine in conjunction with the Director of Corporate Services what action is to be taken to deal with any discrepancies.

#### **16. Inventories**

- (a) Inventories of the Commissioner's property must be prepared and kept up to date by Heads of Service in a form as advised by the Director of Corporate Services.
- (b) Inventories are to be checked with the physical asset regularly. Should deficiencies occur the Head of Service is to determine in conjunction with the Director of Corporate Services what action is to be taken.
- (c) The Commissioner's property is not to be removed otherwise than in accordance with the course of the Commissioner's business.

#### **17. Disposal of Assets**

- (a) Heads of Service are responsible for making arrangements for the disposal of surplus stores, equipment, furniture etc., subject to agreement by the Director of Corporate Services and in accordance with any policy laid down by the Commissioner.
- (b) Disposal of the Commissioner's land (including buildings) is to be in accordance with the relevant Code of Practice on the Disposal of Land as approved by the Commissioner.

#### **18. Writing off**

- (a) *Part 4 – Delegations* of this Scheme of Governance authorises writing off of losses by Heads of Service and the Director of Corporate Services up to specified limits. Any



## Scheme of Governance – Financial Regulations

writing off is to be done in accordance with arrangements to be determined by the Director of Corporate Services.

### 19. External Audit

- (a) The Commissioner's accounts are scrutinised by external auditors, who must be satisfied that the statement of accounts presents a true and fair view of the financial position of the Commissioner and their income and expenditure for the year in question and complies with the legal requirements.
- (b) Heads of Service are required to:
  - Give the external auditors access at all reasonable times to premises, personnel, documents and assets which are considered necessary for the purposes of their work; and
  - Ensure that all records and systems are up to date and available for inspection.
- (c) The Director of Corporate Services has responsibility for identifying and leading implementation of recommendations from External Audit Reviews and to report progress in implementation to the relevant committee.

### 20. Treasury Management

- (a) Responsibility for the execution and administration of Treasury Management decisions are delegated to the Director of Corporate Services who will act in accordance with the Commissioner's Policy Statement on Treasury Management Activities and Treasury Management Practices and CIPFA's "Standard of Professional Practice on Treasury Management".
- (b) The Director of Corporate Services is authorised to make use of balances to fund internal borrowing when it is considered advantageous, provided the overall borrowing limit, determined by the Mayor for the Commissioner, is not exceeded.
- (c) In relation to The Prudential Code for Capital Finance in Local Authorities, the Commissioner delegates responsibility to the Director of Corporate Services, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long term liabilities (both "authorised limits" and "operational boundary"), in accordance with option appraisal and best value for money for the Commissioner, and any such changes made are to be reported to the relevant committee at its next meeting following the change.
- (d) The Director of Corporate Services must secure appropriate banking arrangements and treasury management borrowing and investments subject to approved treasury management and annual investment strategies.
- (e) The Director of Corporate Services must produce annually a Treasury Management Strategy report setting out the requirements for the forthcoming year and the proposals to meet them, for approval by the Commissioner.

## **21. Staffing**

- (a) The Director of Corporate Services must ensure that budget provision exists for all existing and new employees and to advise the Commissioner, Directors and Heads of Service on National Insurance and pension contributions, as appropriate.

## **FINANCIAL SYSTEMS AND PROCEDURES**

### **22. Financial Systems and Procedures**

- (a) Any material change or amendment to any financial systems or procedures by Heads of Service must be carried out in consultation with the Director of Corporate Services.
- (b) Heads of Service must ensure there is a documented and tested disaster recovery plan to allow information system processing to resume quickly in the event of an interruption.
- (c) The Director of Corporate Services must authorise the financial systems and procedures for the receipt and payment of all Commissioner monies and determines the procedures and work practices to ensure there is adequate internal control and internal checks.
- (d) The Director of Corporate Services is responsible for the day to day operation and control of the systems and procedures required to:
- order goods and Service;
  - pay salaries, wages and pensions;
  - pay creditors, allowances and expenses;
  - collect and bank all income due to the Commissioner;
  - provide, safeguard and subsequently dispose of all Commissioner assets (both tangible and intangible) within the limits set out in the Scheme of Delegation;
  - account for taxes and make necessary payments to the appropriate authorities; and
  - be responsible for meeting statutory requirements in relation to keeping records of all financial transactions, such as to enable financial control and audit of the accounts.
- (e) The Director of Corporate Services must arrange for the proper administration of the Commissioner's financial affairs to:

## Scheme of Governance – Financial Regulations

- issue advice, guidance and procedures for officers and others acting on behalf of the Commissioner;
- determine the accounting systems, form of accounts and supporting financial records;
- establish arrangements for the audit of the Commissioner's financial affairs;
- approve any new financial systems to be introduced; and
- approve any changes to be made to existing financial systems.

### **23. Income**

- (a) Heads of Service must arrange for prompt collection, control and deposit of money due to the Commissioner and notify the Director of Corporate Services of all cash collected and income due to the Commissioner:
- all monies received on behalf of the Commissioner is to be banked without delay in the Commissioner's name; and
  - all documentation relating to income receivable by the Commissioner must be in the name of the Commissioner, including agreements for the provision of Service, invoices and receipts.
- (b) At regular intervals agreed with the Director of Corporate Services, Heads of Service must review income received and likely to be received and bring any likely shortfall in income over departmental budgets to the attention of the Director of Corporate Services, together with any likely significant increase in income.
- (c) The Director of Corporate Services must as part of the annual budget cycle review all rents, fees and charges for services provided.
- (d) All agreements for the provision of services to other organisations must be on the basis of cost recovery.

### **24. Procedures for Payments and Authorisation of Accounts**

- (a) The Director of Corporate Services is responsible for paying all properly authorised accounts submitted for payment.
- (b) Before approving a VAT invoice, those doing so must confirm that:
- the works, goods or services to which the invoice relates have been received, carried out, examined and approved
  - the prices, extensions, calculations, trade discounts, other allowances, credits and tax rates are correct

## Scheme of Governance – Financial Regulations

- the relevant expenditure has been properly incurred and is within the estimate
  - stock records (where appropriate) have been updated
  - the invoice has not previously been approved for payment and is a correct liability
  - the invoice meets HM Revenue and Customs definition of a valid VAT invoice for the purpose of reclaiming VAT.
- (c) Payments must be made in compliance with the statutory requirements regarding prompt payment.
- (d) The Commissioner and Directors may request, in writing, for the Director of Corporate Services to make payment where prices have increased beyond the control of the contractor/supplier. The Director of Corporate Services may make payment provided he/she is satisfied the increases are reasonable, and are in accordance with a decision of the Commissioner and are within overall budget provision (provided by virement if necessary).
- (e) Heads of Service must as soon as possible after 31st March in each year notify the Director of Corporate Services of all outstanding expenditure relating to the previous financial year, as set out in the closing of accounts timetable.

### **25. Salaries and pensions**

- (a) The Director of Corporate Services is responsible for making payments of salaries, wages and pension benefits.
- (b) Any extraordinary payroll payments and payments outside of agreements of general application must be specifically approved by the Director of Corporate Services after consultation with the General Counsel.
- (c) The Director of Corporate Services is responsible for ensuring that the payment of salaries and allowances reflects:
- appointments, resignations, dismissals, suspensions, secondments and transfers;
  - changes in remuneration.

### **26. Credit Cards**

- (a) Credit cards must only be used in relation to the Commissioner's business, and only when this means of purchasing is appropriate.

**27. Banking Arrangements**

- (a) The Director of Corporate Services will advise the Commissioner on all banking and related arrangements. The Director of Corporate Services will open, operate and close bank accounts on behalf of the Commissioner.
- (b) The Director of Corporate Services will arrange that all bank accounts which contain monies that form part of the Commissioner's funds bear an official title that includes the name of the Commissioner.
- (c) The Director of Corporate Services will determine the arrangements for authorising and making payments from the Commissioner's bank accounts.

**28. Taxation**

- (a) The Director of Corporate Services is responsible for the Commissioner's compliance with taxation legislation, including making tax payments, receiving tax credits, maintaining tax records and completing and submitting all statutory returns by due dates.
- (b) The Director of Corporate Services is responsible for issuing guidance on taxation issues that affect the Commissioner.

**29. External Funding**

- (a) Draft grant funding bids must be submitted to the Director of Corporate Services for review and full account taken of the conditions of grant, before it is approved.
- (b) The Director of Corporate Services must be consulted on the Value Added Tax implications of grant funding and raise invoices for the amounts due to the Commissioner.

## PART 7 – DEFINITIONS

In this Scheme of Governance, the following terms have the following meanings:

**Bluelight** is an online a procurement database for contract and procurement information for buyers within the emergency Service in the UK.

**Brigade** is the London Fire Brigade

**Budget provision** is the amount identified in the Commissioner's budget for a particular purpose.

**Commissioner** is the London Fire Commissioner created by under Part 6A S.327A(1) of the Greater London Authority Act 1999 by virtue of an amendment under S.9 of Schedule 2 of the Policing and Crime Act 2017

**Commissioner's Decisions** are non-operational decisions taken by

- the Commissioner or
- a statutory deputy appointed by the Commissioner under Section 112 of the Local Government Act 1972 and Schedule 27A of the Greater London Authority Act 1999 as fire and rescue authority.

**Constructionline** is a Government run scheme of health and safety assessed and approved suppliers which is accessible by both the public and private sectors.

**Contract** is any agreement for the for the supply of works, goods or services to the Commissioner, including Framework Agreements, call off contracts made under a Framework Agreement and Land Transactions, but does not include employment contracts.

**Contractor** means the other party or potential other party to a Contract.

**Contracts Finder** is an online portal provided for the purposes of the UK Regulations by or on behalf of the Cabinet Office.

**Delegated Decisions** are decisions delegated by the Commissioner to Directors and Heads of Service.

**Directors** are the Commissioner's:

- Deputy Commissioner (Operations)
- Deputy Commissioner (Safety and Assurance) and
- Director of Corporate Services.

**E-Tendering System** is an online system, accessible by all Contractors, which the Commissioner uses to process all Tenders and Contracts, and includes Bluelight.

**EU Public Procurement Directives** means European Union Directive 2014/24/EU and European Council Directive 89/665/EEC, any Directives and Regulations by which it is applied, extended, amended, consolidated or replaced and any re-enactment thereof.

## Scheme of Governance – Definitions

**EU Procurement Regime** means European Union case law, treaties, directives and regulations, including the Public Contracts Regulations 2015, all as amended or replaced from time to time.

**EU Thresholds** means the thresholds for public advertisement of works, goods and services contracts as provided for in the EU Public Procurement Directives and advised by the Government.

**EC Treaty** means the Treaty establishing the European Community of 25 March 1957 as amended and superseded by subsequent treaties.

**Evaluation Criteria** are the criteria which are used to determine the most economically advantageous tender.

**Evaluation Report** a report on the evaluation of Tenders prepared under PSO 16.

**Financial Authority** in the context of these PSOs is the authority to approve expenditure in relation to the Procurement of Contracts, and is automatically granted to the extent that a Contract is within the Budget Provision.

**Framework Agreement** means an agreement between one or more contracting authorities (bodies governed by public law) and one or more Contractors which establishes the terms governing call off contracts to be awarded during a given period, with regard to price and, where appropriate, the quantity envisaged.

**Heads of Service** are the Assistant Commissioners and Assistant Directors appointed to manage the following departments:

- Fire Safety
- Fire Stations
- Mobilising and Control
- Health and Safety
- Operational Policy
- Operational Resilience and Special Operations
- Training and Professional Development
- Communications
- Finance
- People Services
- Strategy and Risk
- Technical and Commercial Services

and the Chief Information Officer and the General Counsel and in the Procurement Standing Orders, unless the context indicates otherwise, are individually the Head of Service for whose purposes the contract is to be entered into.

**The Mayor** is the Mayor of London

**OJEU** means the Official Journal of the European Union.

## Scheme of Governance – Definitions

**Procurement** is the process of obtaining works, goods or services, usually through a competitive tendering process.

**Procurement Authority** has the meaning given to it in PSO 3.

**Procurement Request** is the Commissioner's internal online form required to be completed to begin a new procurement.

**Specification** is the description of the works, goods or services to meet the Commissioner's requirements.

**Standing Orders** are the Standing Orders of the Commissioner, including the PSOs.

**Tender** is an offer to provide the Commissioner with works, goods or services at a price quoted in, or determined under, the tender documentation.

**Works, Supplies and Service** are as defined in the EU Public Procurement Directives.