

SUMMARY OF LEC COMPANY AUDIT PROCESS

The Low Emissions Certificate (LEC) company audit process is a method of confirming that the specific standards and criteria of the LEC scheme have been met. It aims to provide a level of confidence to consumers, suppliers and purchasers in the quality of products and provision of services.

This document provides guidance to applicants on the scope of the LEC company audit process. This guidance is specific to the process currently undertaken by the Energy Saving Trust (EST). It is not intended to be prescriptive but should assist applicants in preparing for audits. For more detail, please refer to the LEC Assessment Checklist (pg 3 – 7). Transport for London, as owner of the LEC scheme, reserves the right to include different and/or additional checks and assessments.

THE EST APPROVAL PROCESS

Prepared by the Energy Saving Trust

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1. The applicant should first read through this document and the LEC Assessment Checklist (pg 3 – 7) to determine whether or not they think they meet the requirements of the scheme and are therefore ready for an audit. Members of the EST Accreditation Team are available to answer any questions related to the scheme requirements.
2. The applicant should then contact the certification body undertaking their certification assessment (EST or VCA) and arrange a date for the company audit. EST will endeavour to conduct audits within 10 working days from receipt of a request directly from the applicant or from the VCA. The company audit will normally take place at the company's registered address, but may be conducted at another acceptable venue(s) by mutual agreement.
3. Prior to the audit, it is advisable that the applicant gathers the information outlined on the LEC Assessment Checklist and, in any case, needs to ensure all relevant documents are available on the day of the audit.
4. After the completion of the company audit, and provided no additional documentation or other evidence is required, the auditor will make a recommendation on whether certification should be granted, and will notify the applicant. The auditor's recommendation will then be subject to an internal review by EST, which is standard certification practice. Following this, and assuming no further evidence of compliance is required, EST will decide whether certification should be granted. EST will normally aim to notify the applicant of its certification decision within 10 working days from the date of the audit.

COMPANY ASSESSMENT FEE

The company assessment fee is currently £1500, which includes reasonable travel costs. Where additional costs or expenses are incurred, these may be charged by EST to the applicant. Further details are set out in the Certification Terms and Conditions.

COMPANY ELIGIBILITY– CRITERIA & REQUIREMENTS

The following sections detail the criteria and requirements that companies supplying abatement equipment must meet in order to obtain Eligible Company Status.

ELIGIBILITY CRITERIA -

The applicant must:-

- have an identifiable legal personality - for example , in the case of UK applicants, must be an identifiable individual, group of individuals/entities trading together in partnership, or corporate body such as a limited company or limited liability partnership;
- be a national of or established in a member state of the European Union or European Economic Area.

FINANCIAL DETAILS

The applicant must satisfy EST that it has a solvent, financially stable business. To this end, the applicant must provide, as a minimum, the following information:

- Details of turnover for the last two years.
- Audited financial accounts for the last two years.

Companies that have been recently formed and cannot show this information, or partnerships and sole traders that do not have audited accounts, may still apply. Additional information may be requested in this instance.

EST will also undertake financial and/or credit checks on companies applying for approval, and annual financial and/or credit checks thereafter. The results of these checks will remain confidential to EST.

Where EST is not satisfied that the applicant has demonstrated that it meets the scheme requirements, EST may ask for additional evidence and information at its discretion.

QUALITY STANDARDS & ACCOUNTABILITY

The applicant must have an acceptable Quality Management System (QMS) to demonstrate its ability to supply, and continue to supply, products which fulfil customer and applicable regulatory requirements, and the LEC certification requirements. The applicant must ensure that all relevant employees, agents or sub-contractors carrying out activities on its behalf are made aware of and comply with the LEC certification requirements.

PRODUCT/PUBLIC LIABILITY INSURANCE

The applicant must hold suitable Product Liability Insurance with a reputable insurer providing for a minimum of £5,000,000 (five million pounds) cover for any one occurrence in respect of its business activities and the equipment that it supplies or fits to vehicles.

The applicant must provide EST with a copy of a valid certificate of insurance and, if requested, further relevant information such as a current insurance policy booklet or schedule of insurance.

EMPLOYER'S LIABILITY INSURANCE

If the applicant has one or more employees it must hold suitable Employer's Liability Insurance with a reputable insurer, providing for a minimum of £5,000,000 for any one occurrence (five million pounds) cover.

The applicant must supply EST with similar documentary evidence of Employer's Liability Insurance cover, as specified above for Product/Public Liability Insurance.

TWO-YEAR PARTS AND LABOUR WARRANTIES

The manufacturer of the Low Emissions Adaptation must supply an in-service warranty (to cover both technical performance & function and quality of manufacture & installation) for at least two years, to provide full cover for parts, labour and on-site support costs.

LOW EMISSIONS CERTIFICATE (LEC) ASSESSMENT CHECKLIST

Requirements/criteria	Notes and guidance/deliverables	Objective evidence/ findings	Conclusion (✓, X, ?)
<p>1. Legal entity</p> <p>The applicant must:-</p> <ul style="list-style-type: none"> • have an identifiable legal personality - for example, in the case of UK applicants, must be an identifiable individual, group of individuals/entities trading together in partnership, or corporate body such as a limited company or limited liability partnership; • be a national of or established in a member state of the European Union or European Economic Area. 	<p>Any UK applicant should provide a certificate of incorporation (evidencing the applicant's registered name, registered number and place of incorporation), or (for applicants which are not incorporated) a VAT registration certificate or other suitable documentation evidencing the applicant's legal identity and nationality of/establishment in the UK;</p> <p>Any non-UK applicant should provide equivalent certificates or other documentation evidencing the applicant's legal identity (including any applicable registered number) and nationality of/establishment in a member state of the EU or EEA.</p>		
<p>2. Financial status</p> <p>The applicant must have a solvent, financially stable business.</p> <ul style="list-style-type: none"> • details of last two years' turnover • audited financial accounts for the last two years. 	<p>Companies formed recently and unable to show this information, or partnerships and sole traders without audited accounts, may still apply provided the EST or VCA is satisfied with the financial status of the applicant.</p>		
<p>3. Quality system</p> <p>The applicant company should submit:</p> <ul style="list-style-type: none"> • a documented corrective action procedure • a preventative action procedure • a document control procedure 	<p>The applicant must have an acceptable quality management system to demonstrate its ability to supply products which fulfil both customer and applicable regulatory requirements.</p> <p>If the applicant company's quality management system is approved under the ISO 9001 standard, a copy of the current valid certificate must be submitted for inspection.</p>		

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<ul style="list-style-type: none"> • evidence of control of records • an internal audit procedure • evidence of control of non-conforming products • details of customer complaint resolution; the process should include documented procedure containing the following information: <ul style="list-style-type: none"> ○ contact details of person primarily responsible for managing complaints ○ the process followed in the event of a complaint ○ timescale for a response ○ evidence that a record of complaints is maintained • details of cancellations and refunds policy • details of procedures for ensuring that products and services fulfil regulatory requirements <p>In addition the applicant company should:</p> <ul style="list-style-type: none"> • set internal key performance indicators • demonstrate a management review process • carry out departmental audits • seek consumer feedback 	<p>If the applicant company does not hold certification to ISO 9001 standard, it must demonstrate a quality management system satisfying the requirements indicated.</p> <p>A register of complaints or failures with corrective action proposed and taken. A limited number of numbered, dated and paginated documents with named recipients. No copy rules. Issue numbers, destruction of old documents. Filing system with published key. Audit trail with records of non-compliances and corrective actions.</p> <p>The applicant must ensure that all employees, agents or sub-contractors carrying out activities on its behalf are made aware of and comply with these requirements. The applicant must be aware that it is ultimately responsible for non-compliance of any employee, agent or sub-contractor – howsoever caused, and must therefore take appropriate steps to ensure accountability in all such relationships.</p> <p>The applicant shall:</p> <ul style="list-style-type: none"> • specify whether it will use or intends to use sub-contractors or third parties as part of the installation process. • provide full details of these organisations and of the aspects of the installation process with which they will be involved. • describe the inspection process in place to monitor and evaluate all work undertaken by any and all sub-contractors and/or third parties. 		

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<p>Applicants must ensure that all subcontractors or partners comply in full and at all times with these accreditation requirements and applicants must be able to demonstrate adequate management control over all subcontractors and partners to ensure this.</p>			
<p>4. Warranty provisions</p> <p>The applicant company must give a minimum warranty to each customer as set out below:</p> <ul style="list-style-type: none"> • 2 year in-service warranty to cover both technical performance and function and quality of manufacture and installation, to provide full cover for parts labour and on-site support costs. <p>Where applicant companies or organisations are relying on third parties to install vehicle adaptations approved under the LEC scheme the applicant company must demonstrate that warranty provision is traceable back to the company accredited under the LEZ LEC scheme. This may require examination and/or analysis of contracts with third parties, or other documents, which will establish that warranty obligations will be satisfactorily met.</p>	<p>Applicants must provide a copy of their standard warranty document setting out the following:</p> <ul style="list-style-type: none"> • minimum warranty as set out in 4 • any exclusions or limitations of the applicant's liability • criteria, conditions and costs of any extended warranties or service contracts <p>AND</p> <ul style="list-style-type: none"> • an explicit statement that any chargeable warranty or service agreement is in addition to the minimum warranty specified in section 4 and does not affect the standard guarantee period. 		

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<p>5. Insurance</p> <p>Applicants with one or more employees must hold suitable:</p> <ul style="list-style-type: none"> • employer's liability insurance with a reputable insurer providing five million pounds cover minimum. • product and public liability insurance with a reputable insurer providing five million pounds minimum cover in respect of its business activities and the vehicles/equipment it manufactures supplies and/or vehicles that it converts. <p>Where an applicant employs sub-contractors, distributors or agents, it must ensure that copies of all applicable insurance documentation are supplied to the EST or VCA upon request.</p>	<ul style="list-style-type: none"> • A copy of the policy certificate must be provided to the EST or VCA on application. • The applicant must provide to the EST or VCA in relation to such insurance an up to date policy certificate, together with full details of the terms of such insurance and evidence that it remains in force. • The applicant must provide to the EST or VCA in relation to such insurance an up to date policy certificate, together with full details of the terms of such insurance and evidence that it remains in force. 		
<p>6. Performance requirements</p> <p>The applicant must be able to provide data from emissions testing carried out to the required standards, and which meet the minimum performance requirements listed in Transport for London document 'LEC (Adaptations) Technical Requirements' .</p> <p>Performance assessment must include the results of a 'worst case discussion' held with either EST or VCA to agree the scope and number of tests to be carried out in</p>	<p>Test data from a recognised and accredited emissions test facility to the required standard. Emissions test reports comprising controlled documents issued by the accredited test facility will be required.</p> <p>Information will include diagrams, schematics, design formulae and/or rules, disclosure of relevant critical parameters, (e.g. exhaust gas flow rate), and/or any other information needed to ensure clear understanding of the design rules for extrapolation of the adaptation from an engine size for which test data exist to other</p>		

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<p>order to secure accreditation for the adaptation. Submissions must be made giving details of how the adaptation functions, with disclosure of sufficient detail to permit a clear understanding by the certification agency of how the adaptation may be satisfactorily applied to engines with widely different rated power outputs.</p> <p>Worst case discussion must include analysis of failure modes and potential non-complying modes of operation which could potentially affect emissions reduction performance. Examination must include discussion of remedial action to be taken in respect of non-compliance.</p>	<p>engine sizes for which little or no test data may have been obtained.</p> <p>Sufficient data must be provided to enable a clear understanding of potentially non-compliant modes of operation, and the consequences of such operational mode. The applicant must demonstrate the means whereby the attention of the driver or operator of a vehicle equipped with the adaptation would be forced to recognise the potential non-compliant modes of operation, and to take effective remedial action. Capability to continue to operate indefinitely in a non-compliant mode is not acceptable.</p>		
<p>7. Licensed technology</p> <p>Where applicants are supplying accredited adaptations under licence from a third party responsible for developing or proving the adaptation, the applicant must be able to show documentation supporting its right to supply emissions abatement equipment accredited to a separate legal entity.</p>	<p>This may take the form of a franchise or licensing agreement, a formal letter conferring permission, management buyout contract etc.</p>		
<p>8. Independent accreditations/test data</p> <p>The applicant may submit independent test data or accreditations to support acceptance of emissions abatement technology by the EST or VCA.</p> <p>Where data are submitted, the tests must have been carried out to a recognised test protocol at an accredited test facility.</p>	<p>Systems having an approval through, for example VERT in Switzerland or other body of similar standing can be accepted. Applicants must show that the equipment to be supplied for use under the LEC accreditation scheme conforms to the same standard as that accredited by the independent body, and that they applicant has a current accreditation in respect of the adaptation proposed.</p>		