

Parliamentary Counsel's Office

# Corporate Governance Framework

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Approved by Parliamentary Counsel, Annette O'Callaghan



# Contents

1. Overview.....	3
2. Framework.....	3
3. Further Information.....	6

## Policy Owner / Contact

Corporate Services

## Review Record

Date	Action	Version
August 2019	Draft	1.0
May 2023	Review	2.0

# 1. Overview

The Parliamentary Counsel’s Office (PCO) is an executive agency within the NSW Government that provides a comprehensive and integrated range of services relating to the drafting of legislation, access to legislation and advice and information about legislation.

This document outlines PCO’s Corporate Governance Framework (including Fraud and Corruption Control) to promote confidence in its use of public resources in fulfilling these services.

# 2. Framework

The PCO Corporate Governance Framework is based on the NSW Audit Office Governance Lighthouse Model (2015), developed to assist NSW public sector agencies implement successful governance. The following table outlines the 8 principles and 17 key governance components of this model and summarises their implementation within PCO.

Principle 1: Lay solid foundations for management and oversight – Accountability and service		
1	Leadership and strategic and business plans	<p>PCO’s Leadership Team comprises the Parliamentary Counsel, the Deputy Parliamentary Counsel, the Director, Legislation Editing and Parliament, the Director, Legislation Editing and Parliament (Operations), the Director, Strategist – ICT, and the Director, Corporate Services.</p> <p>PCO’s Corporate Plan contains key objectives, strategies and activities and is reviewed and approved annually by the Leadership Team.</p>
2	Regular reporting against plans	<p>Reports are prepared for the Leadership Team and include team updates, performance reporting, budget and project updates, corporate governance and human resources reporting.</p> <p>Yearly outcomes are contained in the Annual Report, which also includes financial, governance and compliance reporting as required by legislation.</p>
3	Clear accountability and delegations	<p>All staff members have a role description that complies with the requirements of the <i>Government Sector Employment Act 2013</i> and the Public Service Commission’s Capability Framework.</p> <p>All staff have a performance agreement that details the responsibilities and performance levels for their role and performance is assessed on an annual basis.</p> <p>There are formal instruments of delegation for administrative functions and expenditure at PCO. These are reviewed at least annually or when organisational changes are made. The delegations are published on Gulbarra and included in the role descriptions of the relevant positions.</p>

Principle 2: Structure to add value - Accountability		
4	Diversity policy	<p>PCO maintains a Diversity and Inclusion Plan, which is reviewed annually.</p> <p>The Leadership Team monitors annual workforce statistics for diversity measures, which are reported, as appropriate, in the Annual Report.</p>
5	Key governance committees	<p><b>External</b> PCO does not have a board. PCO has a shared arrangement with DPC for its Audit and Risk Committee (see further information at No. 9).</p> <p><b>Internal</b> The Parliamentary Counsel and other members of the Leadership Team set the direction for PCO and monitor operations and controls. A senior executive with relevant experience is responsible for the management of each of PCO's programs.</p> <p>PCO Work Health and Safety Committee reviews measures taken to ensure Work Health and Safety practices at PCO are appropriate and any identified risks are mitigated (this includes workspace assessments, first aid and evacuation exercises). The Committee includes representatives from the key work groups of PCO and management.</p>
Principle 3: Act ethically and responsibly – Integrity, service and trust		
6	Ethical Framework	<p>The values and principles within the Ethical Framework for the NSW Government sector are incorporate into PCO's <i>Code of Conduct</i> and other policies, which are available on Gulbarra. The <i>Code of Conduct</i> includes conflicts of interest, gifts and benefits and secondary employment. All senior executives complete annual declarations of private interests as required by the <i>Code of Conduct</i>.</p> <p>Training on ethical behaviour is undertaken by all staff on commencement of their employment with PCO and annually thereafter. An in-house Continuing Professional Development workshop regarding ethics in the legislative drafting environment is conducted annually for the lawyers employed by PCO.</p> <p>Feedback about management's handling of ethical issues is received through staff's participation in the sector-wide People Matter Employee survey.</p>
7	Fraud and corruption control framework	<p>PCO has a Fraud and Corruption Control Policy in place and components are incorporated into other policies as necessary (for example, within PCO's Code of Conduct, Procurement Policy, Travel Policy and Public Interest Disclosures Policy).</p> <p>PCO reports quarterly to the ARC about its fraud and corruption framework and any suspected or reported instances of fraud or corruption.</p> <p>PCO's financial accounts are audited annually.</p>
8	Compliance framework	<p>PCO records its legislative obligations within the Legislative Compliance Register, which includes the legislation, key requirements to be complied with, responsible officers, actions taken to comply, compliance assessment and residual risk of non-compliance.</p> <p>PCO also maintains an annual Legislative Compliance Control Sheet to monitor and record compliance with legislative obligations each year. The ARC monitors PCO's compliance with key legislation and central directions.</p>

<b>Principle 4: Safeguard integrity in corporate reporting – Accountability and service</b>		
9	Audit and Risk Committee (ARC)	<p>PCO has a formal shared arrangement with DPC's ARC to provide independent oversight of PCO's internal audit and risk functions by monitoring PCO's governance, risk and control frameworks and its external accountability requirements.</p> <p>The ARC has three members, all of whom are independent – Ms Marcia Doheny (Chair), Ms Christine Feldmanis and Mr Garry Dinnie. The ARC's performance is evaluated annually.</p>
10	Internal and external audit	<p>The Audit Office conducts an annual audit of finances and other controls.</p> <p>PCO has an Internal Audit Charter, endorsed by the ARC. PCO reviews its Internal Audit plan annually to ensure the focus on key risks is maintained. It covers risks identified by PCO's Leadership Team and assessment of risks and feedback from PCO's internal auditors (currently PWC).</p>
11	CEO and Director, Corporate Services sign-off of financial report	<p>The Parliamentary Counsel and the Director, Corporate Services provide annual management representation letters to the Audit Office in line with mandated timeframes.</p>
<b>Principle 5: Make timely and balanced disclosure – Integrity and accountability</b>		
12	Annual Report	<p>PCO tables the Annual Report in Parliament in line with statutory timeframes. Annual Reports are also published on PCO's corporate website following their tabling in Parliament.</p>
13	Continuous disclosure	<p>PCO publishes information on its performance and use of public funds in the Annual Report. As required, PCO discloses information in accordance with the <i>Government Information (Public Access) Act 2009</i>.</p>
<b>Principle 6: Remunerated fairly and responsibly – Accountability</b>		
14	Remuneration is fair and responsible	<p>Remuneration is provided in accordance with public sector Awards and the Statutory and Other Offices Remuneration Tribunal determination.</p> <p>Performance evaluations are conducted through an annual performance review. The performance review assesses achievement against agreed key performance objectives.</p> <p>The Annual Report contains information about the remuneration of senior executives at PCO.</p>
<b>Principle 7: Recognise and manage risk – Accountability</b>		
15	Risk management program	<p>PCO has a Risk Management Policy and Framework, which has been reviewed by the ARC. PCO's Risk Register is reviewed annually to ensure all risks have been identified and that treatment plans and priorities are still relevant to PCO operations.</p> <p>Staff are provided training in risk management on commencement of employment and annually thereafter.</p>
16	CEO and management sign-off on internal controls	<p>The annual management representation letter to the Audit Office is signed by the Parliamentary Counsel on the recommendation of the Director, Corporate Services.</p>

## Principle 8: Respect the rights of key stakeholders

17	Key stakeholder management program	<p>PCO's key stakeholders are the Government (including Ministers and individual government agencies), Parliament, individual Members of Parliament and the public. This list is published in PCO's annual report and on PCO's corporate website (<a href="http://www.pco.nsw.gov.au">www.pco.nsw.gov.au</a>). Communications with the Government and members of Parliament are treated confidentially.</p> <p>Stakeholder relationships are primarily managed as follows:</p> <ul style="list-style-type: none"><li>• Government – the Parliamentary Counsel maintains close contact with key staff in the offices' of the Premier and the Leaders of the Houses regarding the Government's legislative program. The Parliamentary Counsel attends meetings of the Legislation Committee of Cabinet at which the Bills that will be introduced into Parliament are determined.</li><li>• Parliament – the Parliamentary Counsel and key staff maintain regular contact with the Clerks of the Parliament and the staff of the LA and LC Procedure Offices.</li><li>• Ministers and government agencies – the Parliamentary Counsel maintains close contact with Ministers' offices and senior departmental officers regarding legislative proposals. PCO's legal officers liaise directly with departmental instructing officers regarding proposed legislation. Training courses are regularly held by PCO for instructing officers at agencies.</li><li>• Individual Members of Parliament – PCO provides a formal drafting manual for non-government Members of Parliament that includes information on how Members can provide instructions to PCO for proposed legislation and amendments in committee. On occasion, senior officers of PCO participate in seminars for new Members.</li><li>• PCO meet at least fortnightly with the Department of Planning and the Environment to discuss priorities for upcoming meetings of the Executive Council or notification on the NSW legislation website relating to environmental planning instruments and other legislation for the Minister for Planning and Public Spaces.</li><li>• PCO is a member of the Parliamentary Counsel's Committee (PCC), which is a committee representing the drafting offices in Australia and New Zealand. It provides a forum to prepare national uniform legislation, and to discuss the development of legislation, the management of drafting offices and the IT systems supporting drafting within the offices.</li><li>• The public – PCO's websites are its primary communication tools with the public. This includes RSS feeds to keep interested persons informed of legislative changes. An annual survey of website users is undertaken and reviewed for feedback.</li><li>• The legal profession – PCO has established channels for liaising with the wider legal profession. The Parliamentary Counsel liaises with the general counsel group and legal branches of various government agencies.</li></ul> <p>An annual survey is undertaken of identified stakeholders to gather feedback. The stakeholders are key users of PCO's services, including instructing agencies, local councils and Members of Parliament.</p>
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### 3. Further Information

1. The NSW Audit Office website contains useful resources to assist public sector agencies fulfil their governance obligations (<https://www.audit.nsw.gov.au/our-work/resources>).
2. The Code of Ethics and Conduct for NSW government sector employees is available on the Public Sector Commission's website (<https://www.psc.nsw.gov.au/culture-and-inclusion/workplace-culture/behaving-ethically>).