

Parliamentary Counsel's Office

Corporate Governance Framework

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Corporate Services

Review Record

Date	Action	Version
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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 the PCO Corporate Governance Framework, including fraud and corruption control, to promote confidence in PCO's use of public resources in delivering services. The framework is designed to be practical, risk-based and proportionate to PCO's scale, functions and risk profile as a small executive agency.

2. Framework

The PCO Corporate Governance Framework is based on the NSW Audit Office Governance Lighthouse Model, developed to assist NSW public sector agencies implement successful governance. PCO applies the model in a proportionate way and consistent with the principle that governance arrangements should support clear accountability, effective controls and timely decision-making without unnecessary process. 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	PCO's Leadership Team comprises the Parliamentary Counsel, Deputy Parliamentary Counsels and the Director, Corporate Services and Operations. The Leadership Team sets strategic direction, monitors performance, oversees risk and compliance, and supports the Parliamentary Counsel in discharging agency head responsibilities. PCO's Corporate Plan contains key objectives, strategies and activities and is reviewed and approved annually by the Leadership Team. The Leadership Team uses a regular governance rhythm, including scheduled consideration of corporate planning, risk, legislative compliance, internal audit, fraud and corruption control, policy review, financial performance, workforce matters and major projects.
2	Regular reporting against plans	Reports are prepared for the Leadership Team and include team updates, performance reporting, budget and project updates, corporate governance and human resources reporting. Yearly outcomes are contained in the Annual Information Statement, which also includes financial, governance and compliance reporting as required.
3	Clear accountability and delegations	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. All staff have a performance agreement that details the responsibilities and performance levels for their role and performance is assessed on an annual basis. There are formal instruments of delegation for administrative functions and expenditure at PCO. These are reviewed at least annually, and sooner if organisational changes are made. The delegations are published on Gulbarra and included in the role descriptions of the relevant positions. Key accountabilities are assigned as follows: the Parliamentary Counsel is accountable for PCO's overall governance, performance and compliance;

		- the Leadership Team is responsible for collective oversight of strategy, risk and operations; - the Director, Corporate Services and Operations coordinates corporate governance, assurance and reporting arrangements; policy owners maintain assigned policies and controls; and - all staff are responsible for complying with policies, acting ethically and escalating risks or concerns.
Principle 2: Structure to add value - Accountability		
4	Diversity policy	PCO follows sector wide Diversity and Inclusion practices. The Leadership Team monitors annual workforce statistics for diversity measures, which are reported, as appropriate, in the Annual Information Statement.
5	Key governance committees	External PCO does not have a board. It has a shared arrangement with The Cabinet Office and Premier's Department for its Audit and Risk Committee, which provides independent oversight of PCO's governance, risk, control and assurance arrangements. Internal The Parliamentary Counsel and other members of the Leadership Team set the direction for PCO, monitor operations and controls, and provide a clear escalation point for strategic, financial, workforce, risk, compliance and service delivery matters. A senior executive with relevant experience is responsible for the management of each of PCO's programs. The 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. The PCO Project Steering Committee provides proportionate oversight of PCO projects by monitoring delivery against agreed outcomes and timeframes, supporting decision-making on project direction, resolving escalated risks and issues, and recommending improvements for future projects.
Principle 3: Act ethically and responsibly – Integrity, service and trust		
6	Ethical Framework	The values and principles within the Ethical Framework for the NSW Government sector are incorporated into the sector wide <i>Code of Conduct</i> and other policies, which are available on Gulbarra. All senior executives and relevant other staff complete annual declarations of private interests as required. 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. Feedback about management's handling of ethical issues is received directly to line managers and the leadership team, the PCO process for managing complaints, public interest disclosures and/or reports to other governing bodies such as the Independent Commission Against Corruption or the Bar Association or Law Society for employees who hold a legal practice certificate.
7	Fraud and corruption control framework	PCO maintains a Fraud and Corruption Control Policy and supporting controls designed to prevent, detect, report and respond to fraud and corruption risks. Relevant controls are incorporated into related policies, including PCO's Code of Conduct, Procurement Policy, Travel Policy and Public Interest Disclosures Policy.

		PCO reports quarterly to the ARC about its fraud and corruption framework and any suspected or reported instances of fraud or corruption. Fraud and corruption risks are considered through the risk management process, procurement and financial controls, conflicts of interest declarations, gifts and benefits management, mandatory training, reporting pathways and periodic review of control effectiveness. PCO's financial accounts are audited annually.
8	Compliance framework	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. PCO also maintains an annual Legislative Compliance Control Sheet to monitor and record compliance with legislative obligations each year. ARC monitors PCO's compliance with key legislation and central directions. PCO distinguishes between mandatory obligations and better practice arrangements. Legislative and central agency requirements are prioritised according to risk, with responsible officers assigned to monitor obligations, maintain evidence of compliance and escalate significant issues to the Leadership Team or ARC as appropriate.
Principle 4: Safeguard integrity in corporate reporting – Accountability and service		
9	Audit and Risk Committee (ARC)	PCO has a formal shared arrangement with the Audit and Risk Committee of The Cabinet Office and Premier's Department to provide independent oversight of PCO's governance, risk management, internal control, internal audit and external accountability arrangements. ARC has three members, all of whom are independent and possess varied skills to provide appropriate oversight. ARC's performance is evaluated annually.
10	Internal and external audit	The Audit Office conducts an annual audit of finances and other controls. PCO has an Internal Audit Charter endorsed by ARC. PCO reviews its Internal Audit plan annually to ensure it remains focused on key risks, mandatory requirements and areas where independent assurance will provide the greatest value for a small agency.
11	Agency head sign-off on financial report	The Parliamentary Counsel provides annual management representation letters to the Audit Office in line with mandated timeframes.
Principle 5: Make timely and balanced disclosure – Integrity and accountability		
12	Annual Report	PCO tables the Annual Information Statement in line with statutory timeframes. Annual Reports are also published on PCO's corporate website following their tabling in Parliament.
13	Continuous disclosure	PCO publishes information on its performance and use of public funds in the Annual Information Statement. As required, PCO discloses information in accordance with the <i>Government Information (Public Access) Act 2009</i>.
Principle 6: Remunerated fairly and responsibly – Accountability		
14	Remuneration is fair and responsible	Remuneration is provided in accordance with public sector Awards and the Statutory and Other Offices Remuneration Tribunal determination.

		Performance evaluations are conducted through an annual performance review. The performance review assesses achievement against agreed key performance objectives. The Annual Information Statement contains information about the remuneration of senior executives at PCO.
Principle 7: Recognise and manage risk – Accountability		
15	Risk management program	PCO has a Risk Management Policy and Framework, which has been reviewed by the Audit and Risk Committee. PCO's Risk Register is reviewed at least annually and as required when significant changes occur, to ensure risks, controls, treatment plans, owners and priorities remain relevant to PCO operations. Staff are provided training in risk management on commencement of employment and annually thereafter. PCO uses a proportionate assurance model comprising management controls and review, Leadership Team oversight, internal audit, external audit and ARC oversight. This approach supports effective governance without imposing unnecessary administrative burden.
16	Agency head and management sign-off on internal controls	The annual management representation letter to the Audit Office is signed by the Parliamentary Counsel on the recommendation of the Director, Corporate Services.
Principle 8: Respect the rights of key stakeholders		
17	Key stakeholder management program	PCO's key stakeholders include the Government, Ministers and government agencies, Parliament, individual Members of Parliament, the legal profession and the public. This list is published in PCO's annual report and on PCO's corporate website (www.pco.nsw.gov.au). Communications with the Government and Members of Parliament are treated confidentially. Stakeholder relationships are primarily managed as follows: • 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. • 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. • 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. • 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. • PCO meets regularly with the Department of Planning, Housing and Infrastructure 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.

		• PCO is a member of the Parliamentary Counsel's Committee (PCC), which is a committee representing the drafting offices in Australia and New Zealand. PCC 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. • 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. • The legal profession – PCO has established channels for liaising with the wider legal profession. The Parliamentary Counsel liaises with general counsel and legal branches of various government agencies.
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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>).