



Parliamentary
Counsel's Office

Corporate Governance Framework

3 July 2018

GPO Box 4191, Sydney NSW 2001

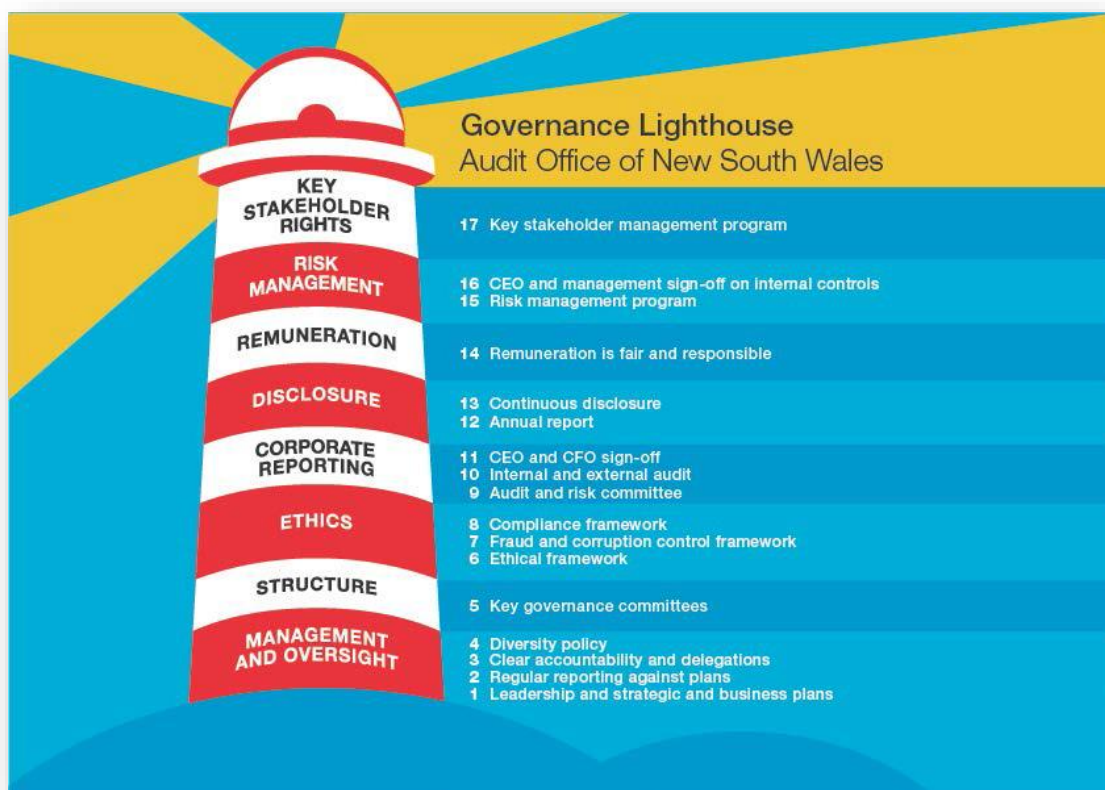
Phone: (02) 9321 3333

Email: parliamentary.counsel@pco.nsw.gov.au

Corporate Governance Lighthouse

This document details the corporate governance framework at the Parliamentary Counsel’s Office (PCO). It addresses the 17 key governance requirements of the corporate government lighthouse.

The governance lighthouse concept was first published by the NSW Auditor-General in 2009 and modified in 2011 and 2015. It is used as a model for good public sector governance. The lighthouse is used as a symbol of good governance on the basis that a lighthouse shines a light on the right way forward and warns of danger before it hits. Governance is there to shine a light whether it be as a warning, or to attract attention or used as a guide.



PCO Structure

PCO is an executive agency that provides the government with a comprehensive and integrated range of high quality services for drafting and developing legislation, publishing legislation and providing advice and information about legislation to government. PCO also provides public access to legislation through the authorised NSW legislation website: www.legislation.nsw.gov.au.

PCO became a Public Service executive agency on 24 February 2014. Prior to that date, PCO was part of the Department of Premier and Cabinet (DPC). PCO remains part of the Premier and Cabinet cluster.

Due to the small size of PCO (53 staff), some reporting and compliance activities are conducted in conjunction with the DPC where it is economically or administratively more efficient to do so. For example, there is a shared arrangement for the Audit and Risk Committee (ARC) and internal audit timetables where possible.

This document details the systems, policies and processes that are in place at PCO in terms of the identified 17 key governance requirements.

No THE 17 KEY GOVERNANCE COMPONENTS		IMPLEMENTATION AT PCO
LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT – ACCOUNTABILITY AND SERVICE		
1	Leadership and strategic and business plans	A Business Plan is prepared on an annual basis detailing the programs and sub-programs of PCO. It is reviewed and signed off by the Parliamentary Counsel (CEO).
2	Regular reporting against plans	<p>Monthly reports are prepared that track progress and statistics for each program in the Business Plan. The report is provided to and reviewed by the Parliamentary Counsel and circulated to senior executives.</p> <p>Yearly results of the Programs are detailed in the Annual Report, together with 5-year comparison statistics where relevant.</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. Performance against those agreements is formally assessed on an annual basis.</p> <p>The Ethical Framework for the NSW Government sector is available to staff on Gulbarra (PCO’s in-house wiki) and the values and principles are included in PCO’s <i>Code of Conduct</i>. The core values and principles are incorporated into PCO’s policies.</p> <p>There are formal instruments of delegation for administrative functions and expenditure at PCO. These are reviewed from time-to-time, particularly when organisational changes are made. The delegations are published on Gulbarra and are detailed in the role descriptions of the relevant officers.</p>
STRUCTURE TO ADD VALUE - ACCOUNTABILITY		
4	Diversity policy	<p>PCO’s diversity policy and plan is detailed in ‘Diversity and Inclusion at PCO’. The plan includes objectives with actions, measures and reporting for each objective.</p> <p>The proportion of women employees is included in PCO’s Annual Report and is currently well beyond the sector-wide target in the area of women in leadership roles.</p>
5	Key governance committees	External

No	THE 17 KEY GOVERNANCE COMPONENTS	IMPLEMENTATION AT PCO
		<p>Due to the small size of PCO, there is a shared arrangement with the DPC for the Audit and Risk Committee (see further information at No. 9).</p> <p>PCO does not have a Board.</p> <p>Internal</p> <p>The Parliamentary Counsel (in consultation with the Deputy Parliamentary Counsel and the Director, Governance and Operations) sets the direction for PCO and monitors operations and controls. A senior executive is responsible for assisting the Parliamentary Counsel with the management of each program in PCO’s Business Plan and each executive has the relevant experience and competence to oversee that program.</p> <p>In addition, there are a number of Committees that provide oversight, review and direction on specific processes or projects as required:</p> <ul style="list-style-type: none"> • Business Process Committee—has oversight of business processes and systems development. The Committee includes representatives from the key work areas, including management, information technology, drafting, editorial, and executive support teams. The Committee identifies, assesses and prioritises new projects to streamline processes, receives status updates about current projects and operational matters, and considers any arising problems or issues. The Committee also monitors capital works projects. • 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 (includes workspace assessments, first aid, evacuation exercises etc). The Committee includes representatives from the key work groups of PCO and management. • Knowledge Management Committee—directs and monitors the Knowledge Management Program. The Committee includes representatives from the key work groups of PCO and management.
ACT ETHICALLY AND RESPONSIBLY – INTEGRITY, SERVICE AND TRUST		
6	Ethical Framework	<p>The Ethical Framework for the NSW Government sector is available to staff on Gulbarra and the values and principles are included in PCO’s <i>Code of Conduct</i>.</p> <p>The Code of Conduct is published on Gulbarra and also on PCO’s corporate website. It is included in the compulsory reading material for new starters.</p>

No	THE 17 KEY GOVERNANCE COMPONENTS	IMPLEMENTATION AT PCO
		<p>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>Feedback about management’s handling of ethical issues is received through staff’s participation in the sector-wide People Matter Employee survey.</p> <p>An in-house Continuing Professional Development workshop regarding ethics in the legislative drafting environment is conducted annually for the lawyers employed by PCO.</p>
7	Fraud and corruption control framework	<p>The PCO has a fraud and corruption control policy and strategy in place.</p> <p>Measures dealing with fraud and corruption are also included in PCO’s Code of Conduct, Purchasing Card Policy, Taxi Policy and Public Interest Disclosures policy. Formal financial delegations are in place for authorising expenditure and PCO’s accounts are audited annually.</p> <p>PCO reports quarterly to the ARC about its fraud and corruption framework.</p>
8	Compliance framework	<p>PCO has a Legislative Compliance Register that records the legislative obligations of PCO. The Register contains the name of 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.</p> <p>The ARC monitors PCO’s compliance with key laws, regulations and central directions.</p>
SAFEGUARD INTEGRITY IN CORPORATE REPORTING – ACCOUNTABILITY AND SERVICE		
9	Audit and risk committee (ARC)	<p>The PCO has a formal shared arrangement with the DPC’s ARC to provide independent oversight of PCO’s internal audit and risk functions by overseeing and 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 G Brus (Chair), Ms C Feldmanis and Mr Garry Dinnie. The Committee’s performance is evaluated annually.</p>

No	THE 17 KEY GOVERNANCE COMPONENTS	IMPLEMENTATION AT PCO
10	Internal and external audit	<p>The Audit Office conducts an annual audit of finances and other controls.</p> <p>The PCO has an Internal Audit Charter, endorsed by the ARC.</p> <p>PCO reviews its Internal Audit plan annually to ensure the focus on key risks is maintained. It covers risks identified by PCO management and assessment of risks and feedback from PCO's internal auditors (currently Deloitte).</p>
11	CEO and CFO sign-off of financial report	The management representation letter signed by the Parliamentary Counsel and CFO were provided to the Audit Office by the required date.
MAKE TIMELY AND BALANCED DISCLOSURE – INTEGRITY AND ACCOUNTABILITY		
12	Annual report	<p>PCO's Annual Report for 2016–17 was tabled in Parliament on time (within one month of receipt by the Minister) and was published on PCO's corporate website within days of tabling in Parliament.</p> <p>Both reports include performance information about PCO's programs.</p>
13	Continuous disclosure	<p>Continuous disclosure in the public sector relates primarily to the regular public disclosure by Government agencies on their performance against key indicators and expenditure of public funds.</p> <p>PCO publishes this information in its Annual Report, which discloses PCO's activities including the programs undertaken by PCO and performance results for them, financial results and future strategy.</p> <p>Also, PCO discloses information in accordance with the <i>Government Information (Public Access) Act 2009</i> and reviews and proactively releases information to the public on its websites.</p>
REMUNERATED FAIRLY AND RESPONSIBLY – ACCOUNTABILITY		
14	Remuneration is fair and responsible	<p>Remuneration is provided in accordance with public sector Awards and SOORT determination.</p> <p>The Parliamentary Counsel and all other Senior Executive performance evaluations are conducted through an annual performance review. The performance review assesses achievement against key performance objectives based on the Programs outlined in PCO's annual Business Plan.</p>

No	THE 17 KEY GOVERNANCE COMPONENTS	IMPLEMENTATION AT PCO
		The Annual Report contains information about the remuneration of senior executives at PCO.
RECOGNISE AND MANAGE RISK—ACCOUNTABILITY		
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 in July to ensure all risks have been identified and that treatment plans and priorities are still relevant to PCO operations.</p> <p>Risk management policies are also included in many of PCO's corporate policies, including the Business Continuity Plan, and in all major project activities.</p>
16	CEO and management sign-off on internal controls	The annual management representation letter to the Audit Office is signed by the Parliamentary Counsel following recommendations from the CFO and the Director, Governance and Operations.
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 general public. This list is published in PCO's annual report and on PCO's corporate website (www.pco.nsw.gov.au).</p> <p>Communication with each of the stakeholder groups varies according to the stakeholders role and requirements:</p> <ul style="list-style-type: none"> • Government—the Parliamentary Counsel is a member of the Legislation Committee of Cabinet (LegCo) and attends all LegCo meetings. The Parliamentary Counsel also maintains close contact with the DPC General Counsel and key staff in the Premier's office to enable communications about the Government's legislative program. • 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—PCO's legal officers liaise directly with departmental instructing officers regarding proposed legislation. • 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 (such as the start of a new Parliament) senior officers of PCO participate in seminars for new Members. • The Public—PCO's websites are the primary communication tools with the public. This includes RSS feeds to keep interested persons informed of legislative changes. An annual

No	THE 17 KEY GOVERNANCE COMPONENTS	IMPLEMENTATION AT PCO
		<p>survey of website users is undertaken and reviewed for feedback.</p> <ul style="list-style-type: none"> Identified stakeholders—an annual survey is undertaken of identified stakeholders who are key users of PCO’s services, including instructing agencies, local councils, Members of Parliament and general users of legislation such as law librarians and the legal profession, to gather feedback. PCO has designated a senior officer responsible for liaising with the wider legal profession, including the judiciary and the general counsel and legal branches of the various government agencies.

Publication History		
File Location	T:\Policies\Corporate Governance\PCO Corporate Governance Framework 3.7.18.docx	
Publication Issued	January 2015	
Revised	5 July 2015	Approved by: Don Colagiuri
	7 July 2015	Approved by: Don Colagiuri
	6 July 2016	Approved by: Don Colagiuri
	30 June 2017	Approved by: Don Colagiuri
	3 July 2018	Approved by: A. O’Callaghan