

# Comisiwn y Cynulliad Assembly Commission

## Governance principles and supporting provisions

### Introduction

1. The National Assembly for Wales Commission has adopted the following governance principles and supporting provisions. Together they are intended to help instil an effective operational culture throughout the organisation which, in turn, will aid the process of managing key business risks.
2. The principles and supporting provisions are consistent with the HM Treasury's Corporate Governance Code of Good Practice, the UK Corporate Governance Code and the International Framework: Good Governance in the Public Sector and they will be used to guide the work of the Commission and its staff.
3. Corporate governance is the way in which organisations are directed, controlled and led. It defines relationships and the distribution of rights and responsibilities among those who work with and in the organisation, determines the rules and procedures through which the organisations objectives are set, and provides the means of attaining those objectives and monitoring performance. Importantly, it defines where accountability lies throughout the organisation.
4. The Commission is established as a corporate body to provide property, staff and services required for the Assembly's purposes. The Assembly, and the people of Wales that it represents, are therefore key stakeholders and it is incumbent on the Commission to engage with them to ensure that it provides the highest possible standard of service. Good governance is central to the effective operation of the organisation. The National Assembly for Wales Commission is not a profit making corporation, but does need to be business-like and operate according to recognised precepts of good governance:
  - leadership – articulating a clear vision for the organisation and giving clarity about how activities contribute to

achieving this vision, including setting risk appetite and managing risk;

- effectiveness – bringing a wide range of relevant experience to bear, including through offering rigorous challenge and scrutinising performance;
  - accountability – promoting transparency through clear and fair reporting; and
  - sustainability – taking a sensible, long-term view about what the organisation is trying to achieve and what it is doing to get there.
5. Schedule 2 of the Government of Wales Act 2006 sets out principles in accordance with which its functions are to be exercised. They are that:
- The Assembly Commission must make appropriate arrangements with a view to securing that its functions are exercised with due regard to the principle that there should be equality of opportunity for all people.
  - In the exercise of the functions of the Assembly Commission due regard must be had to the principle of promoting sustainable development.
  - In the exercise of the functions of the Assembly Commission effect must be given, so far as is both appropriate in the circumstances and reasonably practicable, to the principle that the English and Welsh languages should be treated on a basis of equality.

## **Section A: Leadership**

### **A.1 Role of the Commission**

The Assembly Commission is responsible for the long-term success of the National Assembly, to help make it a strong, accessible and forward looking democratic institution and legislature that serves effectively the people of Wales.

The Commissioners are charged with the governance of the organisation and are accountable to the Assembly. The responsibilities of the Commissioners as the “governing board” include setting the organisation’s strategic aims, providing the leadership to put them into effect, overseeing the delivery of those strategic aims and reporting and being accountable to the Assembly on their stewardship.

The Commissioners have collective responsibility for decisions and have equal status in discussions. The Presiding Officer, other Commissioners and independent advisers should challenge individual Commissioners if they do not:

- respect constructive challenge by others;
- support this collective responsibility for fulfilling the organisation’s purpose;
- work together towards intended outcomes for the Assembly and the people of Wales; and
- appear to act in the interests of the Assembly as a whole but solely in the interests of the political group with which they are associated.

### *Principles*

- The Commission’s role is to provide leadership of the organisation within a framework of prudent and effective controls which enables risk to be assessed and managed.
- The Commission should set the organisation’s strategic goals, and provide strategic clarity.
- The Commission should ensure that the necessary resources are in place for the organisation to meet its objectives and ensure plans are in place to meet both current and future needs.
- The Commission should ensure that robust, clear and consistent management information is in place to help drive continuous improvement and the Commission should also regularly review the performance of management.

- Commissioners play an important leadership role in helping to establish the culture of the organisation. They should lead by example in order to encourage good behaviours throughout the organisation.
- Commissioners must act collectively in what they consider to be the best interests of the Assembly, consistent with any statutory obligations.

#### *Provisions*

- The Commission should meet sufficiently regularly to discharge its duties effectively.
- The annual report should include a statement of how the Commission operates, including a high level statement of which types of decisions are to be taken by the Commission and which are to be delegated to management. The annual report should set out the number of meetings of the Commission and individual attendance by Commissioners.

### **A.2 Division of Responsibilities**

#### *Principle*

- There should be a clear division of responsibilities between the Commission and the operational management of the organisation's business.

#### *Provision*

- The division of responsibilities between the Commission (and the Presiding Officer as its Chair) and the Chief Executive and Clerk should be clearly established and agreed.

### **A.3 Presiding Officer**

#### *Principles*

- The Presiding Officer is responsible for leadership of the Commission and ensuring its effectiveness in all aspects of its role.

- The Presiding Officer is responsible for ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues. The Presiding Officer should also promote a culture of openness and debate by facilitating the effective contribution of independent advisers and ensuring constructive relations.
- The Presiding Officer should facilitate and ensure effective communication with Assembly Members (see Annex E).
- The Presiding Officer should report personally in the annual report how the principles relating to the leadership and effectiveness of the Commission have been applied.

#### **A.4 Independent advisers**

##### *Principles*

- Independent advisers should challenge constructively and help develop proposals on strategy.
- Independent advisers should help scrutinise and support the performance of management in meeting agreed goals and objectives and monitor the reporting of performance. They should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible.

##### *Provision*

- Where independent advisers have concerns which cannot be resolved about the running of the organisation or a proposed action, they should ensure that their concerns are recorded in the minutes. On resignation, an independent adviser should provide a written statement to the Commission if they have any such concerns.

### **Section B: Effectiveness**

#### **B.1 Commitment**

##### *Principle*

- Commissioners and independent advisers should be able to

allocate sufficient time to discharge their responsibilities effectively.

#### *Provision*

- The Commission should make arrangements to evaluate its effectiveness from time to time. As a minimum, this should include a legacy report at the end of each Assembly which covers examples of good practice and lessons learned.

### **B.2 Development**

#### *Principles*

- New Commissioners and independent advisers should receive appropriate induction on appointment.
- Senior management should provide the necessary resources for appropriate development and training that a Commissioner or independent adviser might require.
- To function effectively, all Commissioners and independent advisers need appropriate knowledge of the organisation and access to its operations and staff.

### **B.3 Information and support**

#### *Principles*

- The Commission should be supplied, in a timely manner, with information in a form and of a quality appropriate to enable it to discharge its duties.
- The Commission and Member Support Service is responsible for ensuring that the Commissioners receive accurate, timely and clear information.
- The Commission and Member Support Service's responsibilities include ensuring good information flows within the Commission and between senior management and independent advisers, as well as facilitating induction and assisting with other development that might be required.

#### *Provisions*

- Under the direction of the Chief Executive and Clerk, the Commission and Member Support Service’s responsibilities include:
  - developing and agreeing the agenda for Commission meetings with the Presiding Officer, ensuring all relevant items are brought to the Commission’s attention;
  - ensuring good information flows within the Commission and between senior management and independent advisers, including:
    - challenging and ensuring the quality of papers and information;
    - ensuring papers are received by Commissioners according to an agreed timetable; and
    - providing advice and support on governance matters and helping to implement improvements in the governance structure and arrangements.
  - ensuring the Commission follows due process; and
  - recording Commission decisions accurately and ensuring action points are followed up.

## **Section C: Accountability**

### **C1. Accountability to the Assembly**

#### *Principles*

- The Commissioners are responsible and answerable to the Assembly for the exercise of the statutory functions of the Commission. They have a duty to the Assembly to account and to be held to account, for all the policies, decisions and actions of the organisation.
- The Chief Executive and Clerk is the Commission’s Principal Accounting Officer by virtue of Section 138 of the 2006 Act. He or she is personally responsible and accountable to the Assembly for the organisation and quality of management in the Assembly Commission, including its use of public money and

the stewardship of its assets.

### *Provisions*

- The Commissioners may allocate responsibility for oversight of a defined range of organisational work to an individual Commissioner.
- The delegation of the Commission's functions to the Chief Executive and Clerk should be documented and clearly set out any exceptions and reservations.
- The duties of the Principal Accounting Officer are set out in a letter of designation issued by the Treasury. He or she should establish and document a clear allocation of responsibilities amongst officials, but retains overall personal responsibility and accountability to the Assembly for:
  - propriety and regularity;
  - prudent and economical administration;
  - avoidance of waste and extravagance;
  - ensuring value for money, judged for the Welsh block and more widely for the Exchequer as a whole, not just for the Assembly Commission;
  - efficient and effective use of available resources; and
  - the organisation, staffing and management of the Assembly Commission.
- If the Principal Accounting Officer is instructed by the Commission or the Presiding Officer acting on its behalf to take a course of action that he or she believes to be contrary to their personal responsibilities, they must seek a written direction from the Commission. He or she may not rely on a Commission minute as an alternative to a formal written direction. Such directions will be forwarded to the Auditor General, who will normally draw the matter to the attention of the Public Accounts Committee.
- All directions that would be subject to public disclosure under



the Freedom of Information Act 2000 if an appropriate request were to be made should be disclosed in the governance statement that forms part of the annual accounts for the period in which the direction was granted.

## **Section D: Risk management**

### **D1. Risk management and internal control**

#### *Principles*

- The Commission and the Chief Executive and Clerk should ensure that there are effective arrangements for governance, risk management and internal control for the Assembly Commission.
- The Chief Executive and Clerk is responsible for the preparation of the Annual Governance Statement for publication with its resource accounts each year.

#### *Provision*

- The Chief Executive and Clerk should assure himself/herself of the effectiveness of the organisation's risk management system and procedures and its internal controls. He/she should give a clear steer on the desired risk appetite for the organisation and ensure that:
  - there is a proper framework of prudent and effective controls, so that risks can be assessed, managed and taken prudently;
  - there is clear accountability for managing risks; and
  - officials are equipped with the relevant skills and guidance to perform their assigned roles effectively and efficiently.

### **D2. Internal audit and the Audit and Risk Assurance Committee**

#### *Principle*

- The Commission and the Principal Accounting Officer should be supported by:

- an Audit and Risk Assurance Committee, chaired by a suitably experienced independent adviser; and
- an internal audit service operating to Public Sector Internal Audit Standards.

### *Provisions*

- The Head of Internal Audit should periodically be invited to attend senior management meetings, where key issues are discussed relating to governance, risk management or control.
- The Commission and the Principal Accounting Officer should be supported by an Audit and Risk Assurance Committee, comprising at least three independent members. At least one, but preferably more, of these committee members should have recent and relevant financial experience.
- Advising on key risks is a role for the Commission and senior management. However, the Audit and Risk Assurance Committee should support this role.
- The Audit and Risk Assurance Committee should not have any executive responsibilities or be charged with making or endorsing any decisions. It should take care to maintain its independence. The Committee should be established and function in accordance with the Treasury's Audit and Risk Assurance Committee Handbook.
- The Annual Governance Statement is published with the resource accounts each year. In preparing it, the Principal Accounting Officer should assess the risks facing the organisation and ensure that its risk management and internal control systems are effective. The Audit and Risk Assurance Committee should normally lead this assessment.
- The terms of reference of the Audit and Risk Assurance Committee, including its role and the authority delegated to it by the Commission, should be made available publicly. The Committee should submit an annual report to the Commission who should report annually on the work of the Committee in its report to the Assembly.

## **Section E: Remuneration**

### **E.1 Members**

#### *Principles*

- The Remuneration Board ('the Board') is an independent Board established by the National Assembly for Wales. It aims to ensure that Assembly Members and Assembly office holders, are remunerated appropriately and are equipped with the financial resources necessary to operate effectively in a modern parliamentary institution.
- Regular communication and dialogue between the Assembly Commission and Remuneration board is important. This is in recognition of the statutory roles and interdependency of the two bodies in providing support and services to Assembly Members.

#### *Provisions*

- The Board is not subject to the direction or control of the Assembly or of the Assembly Commission. The decisions of the Board are final and not subject to ratification or approval.
- It is the responsibility of the Assembly Commission to implement the Board's Determination.
- The Remuneration Board has agreed its own Governance Principles and guidance on the conduct of business.
- The Commission is required to provide secretariat support for the Board to enable it operate effectively. The Members' Business Support service is responsible for implementing the Board's Determinations and advising Assembly Members and their support staff on issues relating to the Determination.

### **E.2 Remuneration of senior management**

#### *Principles*

- Levels of remuneration should be sufficient to attract, retain and motivate senior managers of the quality required to run the organisation having regard to wider issues of pay and

remuneration within the public sector.

- There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of the Chief Executive and Clerk and directors. No individual should be involved in deciding his or her own remuneration.

#### *Provisions*

- The Commission should appoint a Remuneration Committee consisting of at least three independent advisers to give advice on the remuneration.
- Where senior management are involved in advising or supporting the Remuneration Committee, care should be taken to recognise and avoid conflicts of interest.
- The Remuneration Committee should make available its terms of reference, explaining its role. Where remuneration consultants are appointed, a statement should be made available of whether they have any other connection with the organisation.

### **Section F: Relations with Assembly Members**

#### **F.1 Dialogue with Assembly Members**

##### *Principle*

- The Commission and Chief Executive and Clerk should establish a regular dialogue with Assembly Members based on the mutual understanding of objectives.
- The Chief Executive and Clerk and the Presiding Officer should ensure that all Commissioners and independent advisers are made aware of Assembly Members' major issues and concerns.

##### *Provisions*

- The Presiding Officer and Chief Executive and Clerk should ensure that the views of Assembly Members are communicated to the Commission as a whole.
- The Commission and Member Support Service should establish

communication with Assembly Members by a variety of means to ensure that they are kept up to date with the Commission's deliberations and to receive and handle any concerns and issues that Members might have.

- The Commission should state in the annual report the steps they have taken to ensure that the Commissioners develop an understanding of the views of Members about the organisation, for example through direct face-to-face contact and surveys of opinion.