

Comisiwn y Cynulliad Assembly Commission

NAFWC 2011 (Paper 2)

Commission governance and procedure

Cynulliad
Cenedlaethol
Cymru
National
Assembly for
Wales



Date: 16 June 2011

Time: 13:00

Venue: Conference Room 4B

Author name and contact number: Ian Summers, ext 1824

Commission governance and procedure

1.0 Purpose and summary of issues

- 1.1 At its first meeting in June 2007, the Commission approved three documents which set out the overarching framework principles for the governance of the organisation, the rules for conduct of Commission meetings and the delegation of functions to the Chief Executive. These documents have not been updated during the Third Assembly.
- 1.2 Since 2007, a number of developments have taken place in the field of corporate governance and the Commission has had four years of operational experience. The recent Assembly elections and the change of Commissioners presented an ideal opportunity to review these documents in the light of experience and best practice.

2.0 Recommendations

- 2.1 The Commission is asked to approve:
 - (i) the revised governance principles and supporting provisions – attached at Annex A;
 - (ii) the revised rules for conduct of Commission business – attached at Annex B; and
 - (iii) the amended delegation of Commission functions and arrangements for the exercise of the Clerk's functions – attached at Annexes C and D.

3.0 Discussion

Governance principles and supporting provisions

- 3.1 The 2007 governance principles and supporting provisions were in line with the Corporate Governance Code of Good Practice published by the Treasury in 2005. The main deviations were to take account of the devolved environment and the status of the Commission as a body corporate with a “governing board” consisting wholly of elected Members.
- 3.2 The Treasury is currently in the final stages of amending the 2005 Code to take account of a number of changes in Whitehall since 2005. The revised Code focuses primarily on government departments and, in particular, the new advisory boards which will be chaired by Ministers and include non-executive members. Much of this will not apply in Wales and certainly not to the Commission (although we do have our independent advisers who perform a role akin to that of NEDs but without voting rights).
- 3.3 The Financial Reporting Council updated its Corporate Governance Code for UK private sector companies in June 2010. The principles in that Code place new emphasis on leadership and effectiveness, rather than compliance and control, whilst retaining sections on accountability and risk management.
- 3.4 The updating of the Commission’s Governance Principles and Supporting Provisions has drawn on both the FRC and Treasury publications, with a significant amount of tailoring to suit the Commission’s own status, role and remit. The resulting document is in line with existing practices and standards that have evolved since the Commission was established in 2007 and is also consistent with the Good Governance Standard for Public Services published by the Independent Commission on Good Governance in Public Services.

Rules for the conduct of Commission business

- 3.5 The original rules for the conduct of Commission business were considered by the Shadow Commission prior to the 2007 election, and formally adopted by the Commission at its first meeting in June 2007. Whilst they have largely stood the test of time, they were drafted in the absence of any practical experience of how the Commission would operate. A number of relatively minor changes have therefore been made to reflect the four years' worth of experience that we now have.

Instrument of delegation

- 3.6 The amendments to the instrument of delegation reflect:
- (i) the existence of a Chief Legal Adviser, who was not with us in June 2007; and
 - (ii) the transfer of certain Commission functions to the Remuneration Board.
- 3.7 The previous requirement that the Chief Executive should consult the Commission before acquiring or disposing of land and buildings of any value and before embarking on ICT projects has also been reviewed, and it is proposed that the requirement should be reworded to embrace all capital projects costing in excess of £1 million. This reflects the Commission's strategic role, and the responsibility of the Chief Executive for operations and, as Accounting Officer, for the management of the organisation's finances. The Commission would still be consulted for major (strategic) projects such as UNO.