

The HSE is required under section 35 of the Health Act 2004 to have in place a Code of Governance.

Governance can be defined as the framework of rules, practices and policies by which an organisation can ensure accountability, fairness and transparency in an organisation's relationship with its stakeholders. In the health context the stakeholders of the HSE include service users, their families, employees, the Minister and Department of Health, other Government Departments, service providers and the general public.

The HSE sets out in its annual report its arrangements for implementing and maintaining adherence to the code of governance in addition to the requirements in the Department of Public Expenditure and Reform's Code of Practice for the Governance of State Bodies.

The principles and practices associated with good governance continue to evolve and the HSE is now updating its Code of Governance to replace its existing Code of Governance which was in place since 2011.

Following consultation and research, this Code of Governance reflects the current standards, policies and procedures to be applied within and by the HSE and the agencies it funds to provide services on its behalf. Agencies, funded through Service Level Arrangements, are often referred to as Section 38 and 39 agencies.

In updating this Code the HSE has taken cognisance of the relevant legislation including relevant provisions of the Health Acts 2004-2015, the HSE Corporate Plan 2015-2017 and the Department of Health Statement of Strategy 2015-2017.

This Code is compliant with the requirements of the Department of Finance Codes¹. This Code should be read as a supplement to existing requirements as set out in statute – particularly the Health Acts 1947-2015; Ombudsman Act, 1980; Freedom of Information Acts 1997-2014; Ethics in Public Office Act 1995 and the Standards in Public Office Act 2001; Ombudsman for Children Act, 2002 and the Comptroller and Auditor General (Amendment) Act, 1993.

Guiding Principles

The Department of Finance Code of Practice for the Governance of State Bodies 2009², which is currently under review, sets out the corporate governance responsibilities of the various parties responsible for the successful operation of all state bodies and agencies. The HSE Code of Governance sets out the following core principles required to underpin the Code of Governance of State Bodies:

- ▶ The Directorate is collectively responsible for promoting the success of the State body by leading and directing the Body's activities. It should provide strategic guidance to the State body, and monitor the activities and effectiveness of management. Directorate members should act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the State body, subject to the objectives set by Government.
- ▶ Best practice in corporate governance requires that the Directorate be supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties. All Directorate members should receive a formal induction on joining the Directorate and should regularly update and refresh their skills and knowledge.

¹ Department of Finance Codes of Practice for the Governance of State Bodies (2009) (under review) and Public Financial Procedures (2008), Department of Finance 'The Role and Responsibilities of Accounting Officers – A memorandum for Accounting Officers' (Mullarkey Report 2003), Risk Management Guidance for Government Departments and Offices (2004); Department of Finance Public Procurement Guidelines – Competitive Process (2009); Department of Public Expenditure and Reform Public Spending Code (2013) and the International Framework: Good Governance in the Public Sector (2014).

² The Finance Code of Practice refers to the "Board" as the governing entity. Following the enactment of the Health Service Executive (Governance) Act on 25 July 2013, the HSE Board was replaced by the HSE Directorate as the governing entity. Consequently, references to 'Board' have been changed to 'Directorate' in the Core Principles above.

Chapter 1

Introduction and Guiding Principles

- ▶ Individual behaviour is a major factor in the effectiveness of the Directorate, and also has an influence on the reputation of the organisation, the confidence and trust that members of the public have in it and the working relationships and morale within it. Conflicts, real or perceived, can arise between the State body's interests and those of individual directors. Public trust can be damaged unless the organisation implements clear procedures to deal with these conflicts.
- ▶ An effective risk management system identifies and assesses risk, decides on appropriate responses and then provides assurance that the chosen responses are effective. The Directorate should have appropriate risk management arrangements in place throughout the organisation.
- ▶ The Directorate should have formal and transparent arrangements for both internal and external audit and for maintaining an appropriate relationship with the State body's auditors.
- ▶ The corporate governance framework should ensure that timely and accurate disclosure is made on all material matters regarding the State body, including the financial situation, performance and governance of the body.
- ▶ As the ultimate owners of, and investors, in State bodies, citizens and taxpayers have an important and legitimate interest in the achievement of value for money in the State sector. Whether commissioning public services or providing them directly, State bodies have a duty to strive for economy, efficiency, transparency and effectiveness in their expenditure.

This Code describes the governance, structures and organisational processes together with the policies, procedures, protocols and guidelines that are in place to ensure good governance in the HSE.

The Chairman of the Directorate will confirm when submitting the Annual report to the Minister in accordance with section 37 of the Health Act, 2004 that it has complied with the key reporting requirements in the Code of Governance for State Bodies.