

Chapter 9 Accountability and Assurance

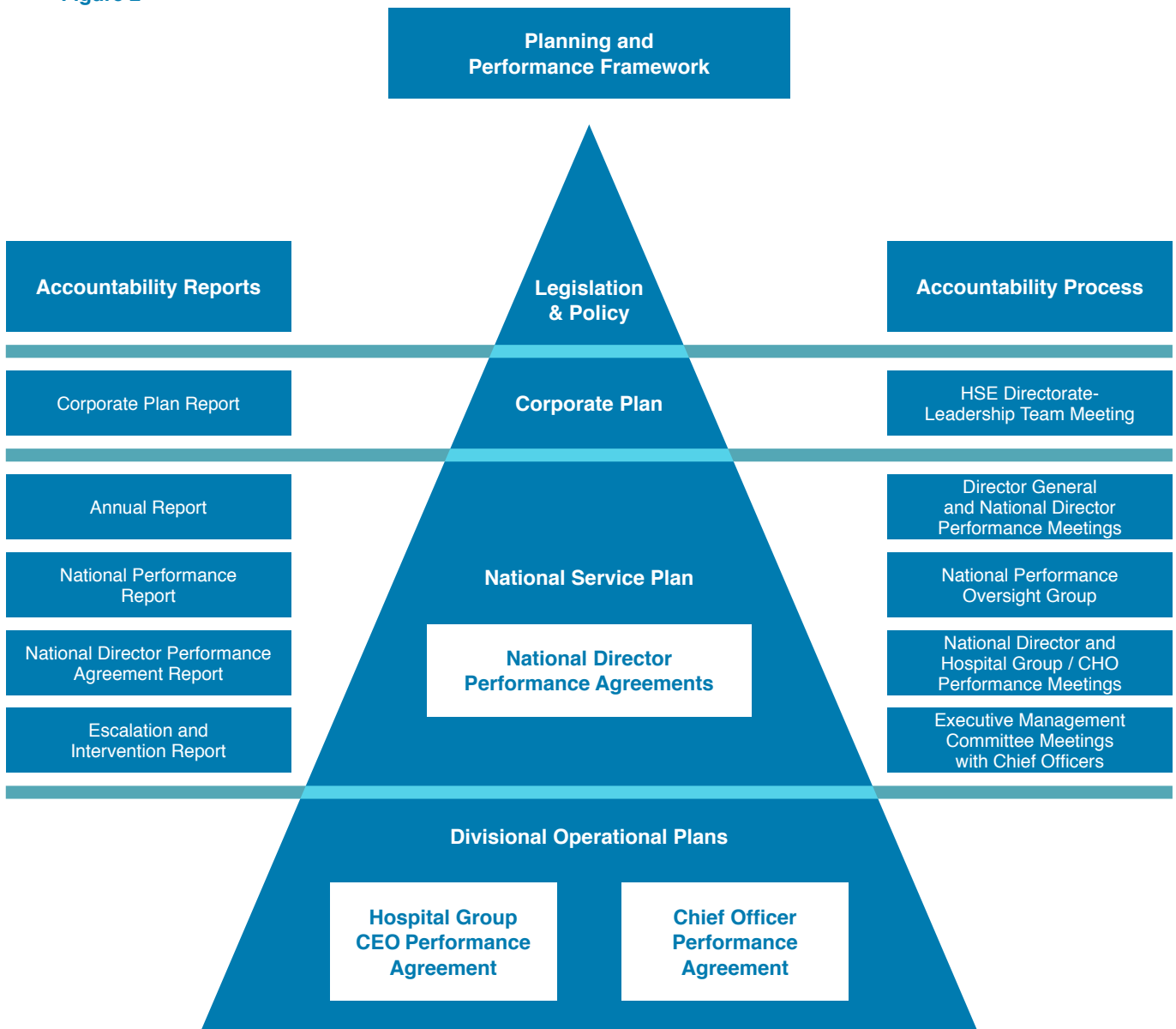
This chapter of the Code outlines the accountability and assurance arrangements within the HSE.

9.1 HSE’s Performance Accountability Framework³

High quality corporate planning and performance reporting are fundamental requirements of the HSE. There are both statutory planning and reporting obligations to meet the needs of external stakeholders and internal management reporting obligations which support good governance and control processes within the HSE.

Figure 2 below outlines the HSE’s Performance Accountability Framework.

Figure 2



³ An enhanced Accountability Framework, including an Escalation and Intervention Framework has been developed and appended to the National Service Plan 2016. This is available on the HSE website at www.hse.ie.

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The HSE's **Performance Accountability Framework**, introduced in 2015 and enhanced in 2016, sets out the means by which the HSE and in particular the National Divisions, Hospital Groups and Community Healthcare Organisations, are held to account for their performance. The performance indicators against which Divisional performance is monitored are set out in the **Balanced Scorecards** grouped under:

- ▶ Access
- ▶ Quality
- ▶ Finance
- ▶ People.

The key performance indicators are also included in the individual Performance Agreement between the Director General and the National Director and these are described in section 9.4 below.

9.2 Key Components of the Performance Accountability Framework

The introduction of an Accountability Framework as part of the HSE's overall governance arrangements is an important development. The key components of the Performance Accountability Framework 2016 are as follows:

- ▶ **Strengthening of the performance management arrangements** between the Director General and the National Directors and between the National Directors and the newly appointed Hospital Group CEOs and the CHO Chief Officers
- ▶ Formal **Performance Agreements** between the Director General and the National Directors and between the National Directors and the Hospital Group CEOs and the CHO Chief Officers
- ▶ A developed and enhanced formal **Escalation and Intervention Framework** and process for underperforming services which includes a range of supports, interventions and sanctions for significant or persistent underperformance
- ▶ The continuation of the national level management arrangements for the CHO Chief Officers
- ▶ The continuation of the **National Performance Oversight Group** with delegated authority from the Director General to serve as the key accountability mechanism for the Health Service and to support the Director General and the Directorate in fulfilling their accountability responsibilities
- ▶ Accountability arrangements will be put in place in 2016 between the Director General and the relevant National Directors for support functions (e.g. Finance, HR, Health Business Services etc) in respect of delivery against their Operational Business Plans.

In implementing the Performance Accountability Framework 2016 the National Performance Oversight Group seeks assurance, on behalf of the Director General, that the National Directors of the Divisions are delivering against priorities and targets set out in the National Service Plan and in the Performance Agreements.

Performance against the Balanced Scorecards is reported in the monthly published **Performance Report**. Where the data indicates underperformance in service delivery against targets and planned levels of activity, the National Performance Oversight Group explores this with the relevant National Director at the monthly performance meeting and seeks explanations and remedial actions where appropriate to resolve the issue.

As part of the Performance Accountability Framework an Escalation and Intervention Framework and process has been developed. The HSE's Escalation and Intervention Framework sets clear thresholds for intervention for a number of priority Key Performance Indicators and a rules-based process for escalation at a number of different levels which are described in section 9.5 below.

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9.3 Accountability Levels

There are five main levels of accountability covered under the Accountability Framework.

- Level 1 Accountability:** HSE through the Directorate to the Minister
- Level 2 Accountability:** Director General to the Directorate
- Level 3 Accountability:** National Directors to the Director General
- Level 4 Accountability:** Hospital Group CEOs and CHO Chief Officers to the relevant National Directors
- Level 5 Accountability:** Service Managers and the CEOs of Section 38 and Section 39 agencies to Hospital Group CEOs and CHO Chief Officers

9.4 Accountability Processes

Directorate Accountability to the Minister

Section 7 of the Health Service Executive (Governance) Act 2013 established the Directorate as the governing body of the HSE. The Directorate is accountable to the Minister for the performance of its functions and those of the HSE and the Director General accounts to the Minister on behalf of the Directorate through the Secretary General of the Department of Health.

One of the key features of the Accountability Framework 2016 is the continuation of the National Performance Oversight Group as a sub-group of the Directorate. This Group has formal delegated authority from the Director General to serve as the key accountability mechanism for the health service and to support the Director General and the Directorate in fulfilling their accountability responsibilities.

National Performance Oversight Group

It is the responsibility of the National Performance Oversight Group as part of the overall accountability process to hold each National Director as head of their respective Division to account for performance against the National Service Plan under the four headings of the Balanced Scorecard.

The standing membership of the National Performance Oversight Group is:

- ▶ Deputy Director General (Chair)
- ▶ Chief Financial Officer
- ▶ National Director Quality Assurance and Verification
- ▶ National Director Human Resources

The National Performance Oversight Group meets with each National Director for services (Acute Hospitals, Primary Care, Social Care, Mental Health, Health and Wellbeing and the National Ambulance Service) on a monthly basis to review the performance of their Division against the National Service Plan.

The combined Directorate-Leadership Team meeting is the forum at which the National Performance Report is discussed.

The main outputs from the National Performance Oversight Group are;

- ▶ Scrutiny of the Monthly National **Performance Report** for submission to the Director General
- ▶ A formal **Escalation Report** in relation to serious performance issues to the Director General by the Deputy Director General which is published as part of the monthly Performance Report.

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Director General Accountability to the Directorate

The Director General, on the basis of the National Performance Report reports on overall health service performance to the Directorate. The Directorate then formally considers the Performance report before its approval and submission to the Minister.

A post National Performance Oversight Group escalation meeting with the Director General may be requested by the Deputy Director General as Chair of the Group. Depending on the performance issue being escalated, the Chair may be accompanied at this meeting by the Chief Financial Officer, the National Director for Quality Assurance and Verification and other National Directors as required.

National Directors Accountability to the Director General

Delivery of the National Service Plan is measured, monitored and performance managed through a formal Performance Agreement between the Director General and each National Director.

National Directors are accountable for the delivery of their Divisional component of the National Service Plan and this is reflected in the Performance Agreements. The Performance Agreement also focuses on a number of key priorities contained in the Service Plan. These priorities are captured in a Balanced Scorecard which ensures accountability for the four dimensions of Access to services, the Quality and Safety of those services, Finance and Workforce.

The Balanced Scorecard is the basis for the Performance Agreements and Performance Reports to the Director General. The Director General formally reviews the delivery of the National Director Performance Agreement at monthly Performance Review meetings with individual National Directors. The Director General may also convene an Exceptional Performance Review meeting to address any major issues of underperformance and in particular any issues raised by the Chair of the National Performance Oversight Group.

A Performance Agreement Report is prepared for the Director General to support the monthly Performance Review. The elements of include the following:

- ▶ Divisional component of the National Performance Report based on the Balanced Scorecard
- ▶ Monthly Escalation Report, including any actions agreed at the National Performance Oversight Group meetings

Hospital Group CEOs and CHO Chief Officers Accountability to National Directors

The National Director for Acute Hospitals and Community Services hold formal monthly **Performance Management Meetings** with Hospital Group CEOs and CHO Chief Officers. These take the form of;

Acute Hospitals

The **Hospital Group CEO Performance Agreement** is between the National Director Acute Hospitals and each Hospital Group CEO.

The National Director for Acute Hospitals formally reviews the delivery of the Hospital Group CEOs Performance Agreement at monthly Performance Review Meetings with each individual Hospital Group CEO and their senior management team. These are the principal accountability meetings at which progress against the Hospital Group CEO Performance Agreement and the Divisional Service Plan with each Group CEO is reviewed.

The National Director Acute Hospitals is required to set out in writing the formal Performance Management Arrangements for his Division and agree these with the National Performance Oversight Group.

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Community Services

An **Executive Management Committee for Community Services**, comprising the four National Directors for Primary Care, Social Care, Mental Health and Health and Wellbeing was established in 2015. The National Director for Social Care was appointed by the Director General to Chair the Committee. These arrangements will remain in place in 2016 and be updated as relevant.

It is at this Forum that each CHO Chief Officer is held to account and the Committee is expected to oversee community services performance in a coordinated way. Individual National Directors and their Teams have ongoing interactions with the CHO Chief Officers in the normal course of business of each Division. In this context National Directors continue to hold their Divisional meetings with each CHO in discharging their delegated accountability.

CHO Chief Officers have a single reporting relationship and this is to the Chair of the Executive Committee who is their Line Manager and to whom they are accountable.

A single **CHO Chief Officer Performance Agreement** (covering all Community Services Divisions) is in place between the four National Directors for Primary Care, Social Care, Mental Health and Health and Wellbeing and each of the CHO Chief Officers.

The Executive Management Committee for Community Services formally reviews the delivery of the CHO Chief officer Performance Agreement at monthly Performance Review Meetings with each CHO Chief Officer and members of their senior management teams. These are the principal accountability meetings at which progress against the CHO Chief Officer Performance Agreement and the Divisional Service Plans are reviewed.

Each of the National Directors for Community Services is required to set out in writing the formal **Performance Management Arrangements** in place for their Division and in relation to their interactions with the CHOs. These are coordinated by the Chair of the Executive Management Committee and agreed with the National Performance Oversight Group.

National Ambulance Service

The National Director with responsibility for the National Ambulance Service formally reviews the delivery of ambulance Services at monthly **Performance Review Meetings** with the Director of the National Ambulance Service and members of his senior management team. This is the principal accountability meeting at which progress against the **National Ambulance Service Operational Plan** is reviewed.

The National Director with responsibility for the National Ambulance Service is required to set out in writing the formal **Performance Management Arrangements** for the National Ambulance Service and agree these with the National Performance Oversight Group.

Service Managers Accountability to Hospital Group CEOs and CHO Chief Officers

Each Hospital Group CEO and CHO Chief Officer is required to establish a formal monthly performance management process with their next line of managers. It is expected that any deviations from planned performance will be addressed at this level in advance of the Hospital Group or CHO Performance Management meetings with the National Directors.

Section 38 and 39 Agencies Accountability to Hospital Group CEOs and CHO Chief Officers

The HSE provides funding of more than €3 billion annually to the non statutory sector to provide a range of health and personal social services. The Service Arrangement or Grant Aid Agreement is the principal accountability agreement between the Hospital Group CEOs and CHO Chief Officers and Section 38 and 39 funded Agencies. There is a named manager responsible for managing the contractual relationship for overseeing the negotiation of the Service Arrangements or Grant Aid Agreements including specific service specification, financial and quality schedules etc. They are also responsible for monitoring the performance and financial management of the specified agreement.

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9.5 Escalation and Intervention Framework

Performance

One of the most important elements of the HSE's strengthened accountability arrangements is a requirement that Managers at each level ensure that any issues of underperformance are identified and addressed at the level where they occur. Where there are issues of persistent underperformance in any of the quadrants of the Balanced Scorecard, the HSE will implement an enhanced Escalation and Intervention Framework and process as part of its Accountability Framework. This process will include the:

- ▶ Responsibilities at each level for performance and escalation
- ▶ The thresholds and tolerances for underperforming services at each level
- ▶ The type of supports, interventions and sanctions to be taken at each level of escalation.

In line with the Accountability Framework, the National Performance Oversight Group meet with National Directors each month and complete a full assessment of all key measures across the Divisional Balanced Scorecards and an Escalation Report is compiled each month based on this assessment. All areas of escalation require recovery plans and actions to mitigate and address underperformance.

Underperformance

In the context of the Escalation and Intervention Framework, underperformance includes performance that:

- ▶ Places patients or service users at risk
- ▶ Fails to meet the required standards or targets for that service
- ▶ Departs from what is considered normal practice

Where the measures and targets set out in these areas are not being achieved, this is considered to be '*underperformance*'.

The Escalation and Intervention Framework sets clear thresholds for intervention for a number of priority Key performance Indicators and a rules-based process for escalation at a number of different levels.

It is recognised that underperformance may be minor or severe and may be temporary or persistent. Any formal designation of service underperformance recognises these conditions. Each Divisional National Director is required as part of the Accountability Framework to agree an overall set of thresholds and tolerance levels against which underperformance issues are escalated to a number of different levels which are described below.

Escalation Levels

The National Performance Oversight Group has developed a 4 point Escalation Framework from Level 1 (Yellow) to Level 4 (Black) which is used to escalate issues and incidents as required. The characteristics of Divisions or services at each level of escalation and the nature of likely supports, interventions and sanctions available to Divisions to help them to improve performance have also been developed for implementation during 2016.

Level 1 (Yellow)	is at Hospital Group CEO or Chief Executive Officer CHO level
Level 2 (Amber)	is at National Director level
Level 3 (Red)	is at National Performance Oversight Group level
Level 4 (Black)	is at Director General level

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It is important to note that escalation and de-escalation through the levels outlined below may not be sequential and, in the case of financial underperformance, is differentiated according to performance rating;

- ▶ The initial level of intervention and the level of escalation is based on the seriousness of the performance issue, the likelihood of deterioration in performance and the magnitude of the issue
- ▶ There may be circumstances where the issue is so serious that it merits Red or Black escalation in the first instance or where the level of intervention moves directly from Level 2 to Level 4
- ▶ There may be circumstances where the issue is so serious or performance so poor within a service that it merits a formal performance escalation meeting with the Director General and the National Performance Oversight Group at which a number of remedial actions are agreed
- ▶ The rate of de-escalation is determined by an assessment of the complexity of the underlying issues and of the likelihood that recovery will be sustained over time

9.6 HSE Controls Assurance Framework

The HSE Assurance Framework is composed of 4 levels.

Level I – Procedures and Policies Established and Implemented by an Organisation

The HSE has established policies, procedure and guidelines across all functions and service delivery areas. This comprehensive suite of policies and procedures is the fundamental basis for good governance and control and must be regularly reviewed and updated as required. The Policy and Procedure documents are available on the HSE intranet. Each employee is required to comply with these.

The HR department is responsible for ensuring that staff are made aware of their responsibilities when commencing employment. Each National Director is responsible for ensuring the Code of Governance including all the relevant policies, procedures and guidelines are understood and implemented for their area of responsibility on an ongoing basis.

Level II – Line and Operational Management Oversight and Review of Adherence to Organisational Procedures

All managers must be satisfied that their units are fully and properly implementing and complying with the organisation's policies and procedures. To achieve this, managers are responsible for carrying out such checks to satisfy themselves of compliance and to take necessary corrective action to address any deficiencies identified.

The completion of the Annual Controls Assurance Review Process by managers forms part of Level II control. In accordance with the 2009 Code of Practice for the Governance of State Bodies, the HSE is required to complete a formal annual review of the effectiveness of its system of internal control. The findings of this review also inform the textual content of the Chairman's Statement on the System of Internal Financial Control in the HSE's Annual Report. Managers, to include all Grade VIIIs/equivalent salary grades and above, are required to participate in some of the key components of this review.

The formal review requires the completion of Controls Assurance Statement and an Internal Controls Questionnaire by all Managers. In signing their Controls Assurance Statement, managers are confirming that the Internal Controls Framework of the HSE has been fully applied in their area of responsibility. Where issues have been identified that may compromise a manager's ability to provide full assurance on the application of the Control Framework, such issues must immediately be brought to the attention of their line manager.

Of primary importance to the effective operation of any system of internal control is the extent to which Managers are clear with regard to the control issues identified in internal control reviews (and reported in their risk register), and their responsibility for taking action to address key control points identified. This Management Controls Handbook has been developed to assist in providing managers with this clarity.

Inspections undertaken/commissioned by management and reviews also form part of the controls.

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Level III – Internal Audit

Internal Audit reviews systems, processes and controls on a sample basis. Investigations and reviews are also undertaken by Internal Audit. All findings and recommendations identified by Internal Audit are reported to management and the Audit Committee. Management is responsible for implementing Internal Audit recommendations in a timely manner. Internal Audit also provides advice to management.

The Charter for the Internal Audit Division is included as an appendix to the Charter for the HSE Audit Committee, contained in the Directorate Procedures and Business of the Directorate document.

Healthcare audits carried out by the Quality Assurance and Verification Division also form part of the controls.

Level IV – External Audit

External Audit can relate to Financial or Health Care Audit. The C&AG, which is the External Auditor for the HSE, carries out an annual audit on the Annual Financial Statements in order to determine if the accounts provide a true and fair view of the transactions of the organisation. Transactions are reviewed on a sample basis. The C&AG reports its findings to the Public Accounts Committee.

External Regulatory bodies also carry out audits and reviews within the health care arena. Examples of such bodies include HIQA, Mental Health Commission, Irish Pharmaceutical Society, Health Products Regulatory Authority etc.