

PART 1 INTRODUCTION

Chapter 1 Introduction and Overview

The Health Service Executive (HSE) was established under the Health Act 2004 as the single body with statutory responsibility for the management and delivery of health and personal social services in the Republic of Ireland. As outlined in the Health Act, 2004 the objective of the Executive is *to use the resources available to it in the most beneficial, effective and efficient manner to improve, promote and protect the health and welfare of the public.*

Corporate governance is the systems and procedures by which organisations direct and control their functions and relate to their stakeholders in order to manage their business, achieve their missions and objectives and meet the necessary standards of accountability, integrity and propriety. It is a key element in improving efficiency and accountability as well as in enhancing openness and transparency. To this end, the HSE has adopted a corporate governance regime in accordance with best practice.

Best practice in the area of governance is recognised as being evolutionary in nature. Standards need to be responsive to the changing environment and will continue to develop and evolve. The HSE Code of Governance comprises a number of standards, policies and other procedures which are considered the minimum standards of best practice at this time, it is also referred to as the ***Framework for the Corporate and Financial Governance of the Health Service Executive.***

This Code should be read as a supplement to existing requirements as set out both in statute – particularly the Health Acts 1947-2008; Ombudsman Act, 1980; Freedom of Information Acts 1997-2003; 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. This Code is compliant with the requirements of the *Code of Practice for the Governance of State Bodies* (2009), *Public Financial Procedures, the Role and Responsibilities of Accounting Officers* (Mullarkey Report 2003) and *Risk Management Guidance for Government Departments and Offices* (2004).

In recent years, a number of reports have been commissioned concerning corporate governance and as a result, a number of standards of best practice have emerged. The HSE has adopted all relevant best practice guidance and will continue to do so through its periodic review of its Code of Governance.

Service Arrangements and Grant Aid agreements with the agencies funded by the HSE include extensive governance requirements that necessitate agencies to be consistent with the HSE Code of Governance.

References to employee/s in the suite of documents forming the HSE's Code of Governance relates to all employees directly employed by the HSE (as defined under Section 22 of the Health Act, 2004). However, the HSE expects those employed indirectly or providing services or advice to, or on behalf of, the HSE to also meet the standards set out for employees.

HSE Code Of Governance

2. Governing Legislation

The Health Acts 2004 sets out the HSE's responsibilities and legal requirements in relation to *its Code of Governance*

35. — (1) *The Executive shall, as soon as practicable after it is established, submit to the Minister for approval a code of governance that includes an outline of —*
- (a) the guiding principles applicable to the Executive as a public body having functions relating to health and personal social services,*
 - (b) the structure of the Executive, including the roles and responsibilities of the Board and the chief executive officer,*
 - (c) the methods to be used to bring about the integration of health and personal social services,*
 - (d) the processes and guidelines to be followed to ensure compliance with the reporting requirements imposed on the Executive by or under this Act,*
 - (e) the Executive's internal controls, including its procedures relating to internal audits, risk management, public procurement and financial reporting, and*
 - (f) the nature and quality of service that persons being provided with or seeking health and personal social services can expect.*
- (2) *The Executive shall review the code of governance periodically and at such times as may be specified by the Minister and shall revise the code as the Executive considers appropriate.*
- (3) *In preparing, or making any revisions to, the code of governance, the Executive shall have regard to any directions issued by the Minister under section 10.*
- (4) *Following the Minister's approval of the code of governance or of any revisions to it, the Executive shall arrange for the publication of the code or the revised code.*
- (5) *The Executive shall indicate in its annual report its arrangements for implementing and maintaining adherence to the code of governance.*

3. Guiding Principles

Standards of governance should be underpinned by a set of key principles which promote transparency, efficiency and effectiveness, are consistent with the regulatory environment, and clearly articulate the division of roles and responsibilities within the organisation. Specifically, standards should provide that a publicly-funded health sector organisation:

- acts legitimately in compliance with legal requirements, within the authority conferred;
- observes due process in all its activities and respects the rights and aspirations of other stakeholders and the public;
- meets publicly-declared standards of performance particularly relating to quality, equity, Value for Money in the use of public resources, delivery of agreed outputs and achievements of targeted health and social gain outcomes; and
- Accounts to stakeholders and to the public for its actions relating to the principles set out in the National Health Strategy i.e. quality, accountability, equity and people centeredness.

HSE Code Of Governance

Good governance will reflect the following key characteristics:

- *Propriety* – measured by the extent to which the Board and its management team carry out their duties with integrity and fairness and without self-interest or favouritism. It is reflected in the organisation’s decision-making procedures, the quality of its financial and performance reporting, in guidance issued on governance and ethics as well as standards of conduct and behaviour.
- *Responsiveness* – measured by the ability of patients/clients and the public to secure performance to given standards and to obtain redress if these standards are not met.
- *Transparency* – measured by the extent to which patients/clients and the public are informed about the actions taken by the organisation and the rules governing these actions. It is also manifest by the degree of clarity and understanding that exists regarding roles and responsibilities together with authority and accountability levels.
- *Public Accountability* - the extent to which a publicly-funded organisation accounts to government, the Oireachtas and the general public for the use of public resources.

4. Governance Documents

In support of a cohesive best practice corporate governance infrastructure, the HSE has developed policies, procedures and guidelines for use by the Board, the management team and all those working within the HSE and the agencies funded by the HSE. The HSE Code of Governance comprises of this suite of documents and is also referred to as the *Framework for Corporate and Financial Governance*.

Part 2: HSE Board Governance

Part 2 of this Code is concerned with the governance structure of the HSE, the working of the Board including the specific duties and responsibilities of the Chairman and Chief Executive Officer (CEO) as Accounting Officer. Terms of Reference for standing committees of the Board as well as the Internal Audit Function are included in this section.

Board Terms of Reference (chapter 2) sets out the standards of behaviour for the Board and its members and how the business of the Board is conducted including communications and delegations of responsibilities.

Audit Committee Terms of Reference (chapter 3) sets out the role of the Audit Committee established by the Board to assist it, in fulfilling its duties, by providing an independent and objective review of the:

- financial reporting process,
- process relating to the HSE’s management of financial risks, prevention of corruption and waste and the system of internal control,
- internal and external audit processes,
- Promotion and auditing of Value for Money Management (VFM) throughout the health system.

Internal Audit function (chapter 4) sets out how the Internal Audit function helps the HSE accomplish its objectives by bringing a systematic, disciplined approach to evaluate and

HSE Code Of Governance

improve effectiveness of financial risk management, internal control and governance processes.

Remuneration and Organisation Committee Terms of Reference (chapter 5) sets out the terms of reference of the Remuneration and Organisation Committee and includes sections on the role, membership and duties of the Committee.

Risk Committee Terms of Reference (chapter 6) sets out the terms of reference of the Risk Committee established by the Board to assist it in fulfilling its duties by providing an independent and objective review of:

- the systems and processes relating to quality, safety and the measurement of non-financial risk;
- the processes and mechanisms deployed to ensure integration of the HSE's approach to the management of non-financial risks and day-to-day operational activities;
- the promotion of a risk management culture across the HSE.

Part 3 General HSE Operational Policies, Procedures, Codes etc

Part 3 of the Code is concerned with specific internal financial and operational control procedures. These include a wide range of written policies, procedures, guidelines, codes and standards applicable to all HSE employees and are essential to ensure that organisational governance in the HSE is robust and effective. An overview of the policies is provided under the following functional headings:

- Human Resources
- Financial
- Communications
- Advocacy and Customer Care
- Procurement
- Quality and Patient Safety
- Estates
- Information Communication Technology
- Performance Management and Reporting

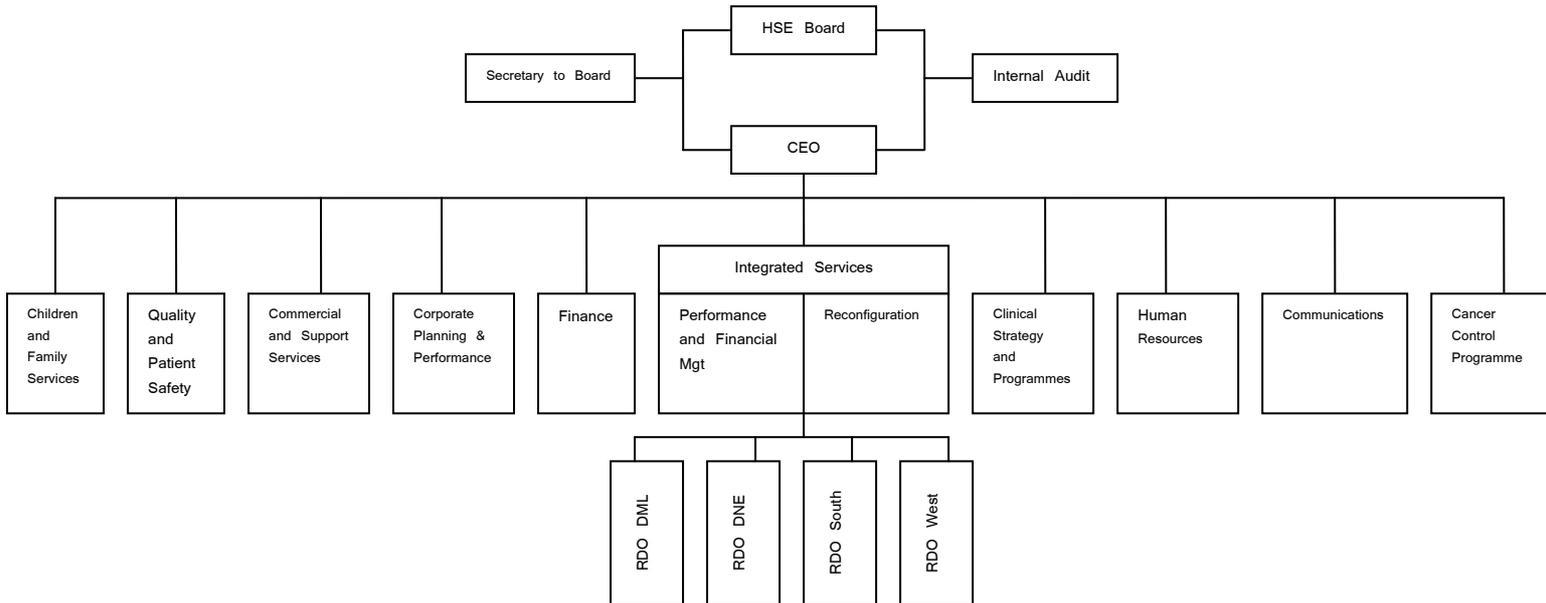
The HSE Codes of Standards and Behaviours and the Policy Statement on Fraud are detailed in appendices 5 and 6. The other policies and codes are listed in appendix 7. The full content of these documents may be accessed for view or download from the HSE Website [.HSE intranet Code of Governance Web Page](#)

Part 4 Assurance framework for oversight of the implementation of the Code of Governance

The fourth part outlines the assurance framework in place within the HSE to support the implementation of the Code of Governance. This includes the four levels of assurance common in most organisations and clearly demonstrates the linkages between the various assurance practices currently in use in the HSE.

5. HSE Organisation

HSE Organisational Structure



Roles of National Directorates

Finance Directorate

The overall aim of the Finance Directorate is to provide strategic and operational financial support and advice to the various streams of the Health Service Executive in achieving the organisational goals of providing high quality, integrated health and personal social services. The objectives of the finance team are to manage the finances of the HSE, to deliver enhanced accountability and value for money, to develop a standardised Financial Management framework for the HSE.

Internal Audit

Audit is responsible for ensuring that a comprehensive programme of audit work is carried out annually throughout the HSE. The purpose of this work is to provide assurance that controls and procedures are operated in accordance with best practice and with the appropriate regulations. The HSE Audit Committee monitors the work of the Audit Directorate.

National Cancer Control Programme

The NCCP oversees the implementation of the 2006 National Cancer Strategy. This recommended that Cancer Centres should be networked together in Managed Cancer Control Networks and to equip each of the HSE's four regions with broad self sufficiency of services in relation to the more common forms of cancer.

HSE Code Of Governance

Corporate Planning & Corporate Performance

The Corporate Planning and Corporate Performance Directorate (CPCP) are responsible for developing an integrated cross system planning function which includes the HSE Corporate Plan, the National Service Plan and Regional Business Plans. The directorate also produces monthly and annual reports against performance including the HealthStat dashboards to allow the HSE to review progress against what we set out to achieve and to enable continuous improvement through reliable, timely and comprehensive information. CPCP also is responsible for the HSE Business Intelligence Unit which is a data warehouse for all HSE data.

Quality and Patient Safety Directorate

Quality and Patient Safety Directorate has been established to ensure high quality safe services are designed and delivered to patients and clients. The directorate is committed to a multi-agency approach being taken under the auspices of the Patient Safety First initiative to ensure high-quality care is available to all patients and clients.

The directorate is focused on the development and implementation of safe quality healthcare where all service users receive high quality treatment at all times, are treated as individuals with respect and dignity, are involved in their own care, have their individual needs taken into account, are kept fully informed, have their concerns addressed and are treated/cared for in a safe environment, based on best international practice.

Clinical Strategy and Programmes Directorate

This Directorate is responsible for the design and support to the delivery of national standardised models of care across the acute sector and for specified Care Groups such as Older Persons and Mental Health.

Integrated Services Directorate

The Integrated Services Directorate is under the leadership of two National Directors who have specific areas of responsibility for; Performance and Financial Management including Care Groups Areas and Demand Led Schemes

Reconfiguration of acute hospital, primary care teams and pre hospital care

The aim is to make sure services, acute hospital, long stay care, GP, mental health, child care, emergency, rehabilitation, social work care and so on, are connected and the staff who provide them are working well together in teams. Responsibility for delivering services is devolved from national level to four geographic regions headed up by four regional management teams. The Regional Directors of Operations are fully accountable and responsible for all local health and social care services in the four regions.

Human Resources

The HR Directorate provides HR consultancy to the services supporting line managers to build an engaged, motivated and satisfied workforce. Specialised Corporate HR provides support in the following areas: Employee Relations, Performance Management & Management Information, Recruitment & Employer Branding, Succession Management, Leadership Development and Shared Services.

HSE Code Of Governance

Communications Directorate

The Communications Directorate is responsible for developing and managing the HSE's internal and public communications initiatives and provides consultancy advice and support to staff across the organisation.

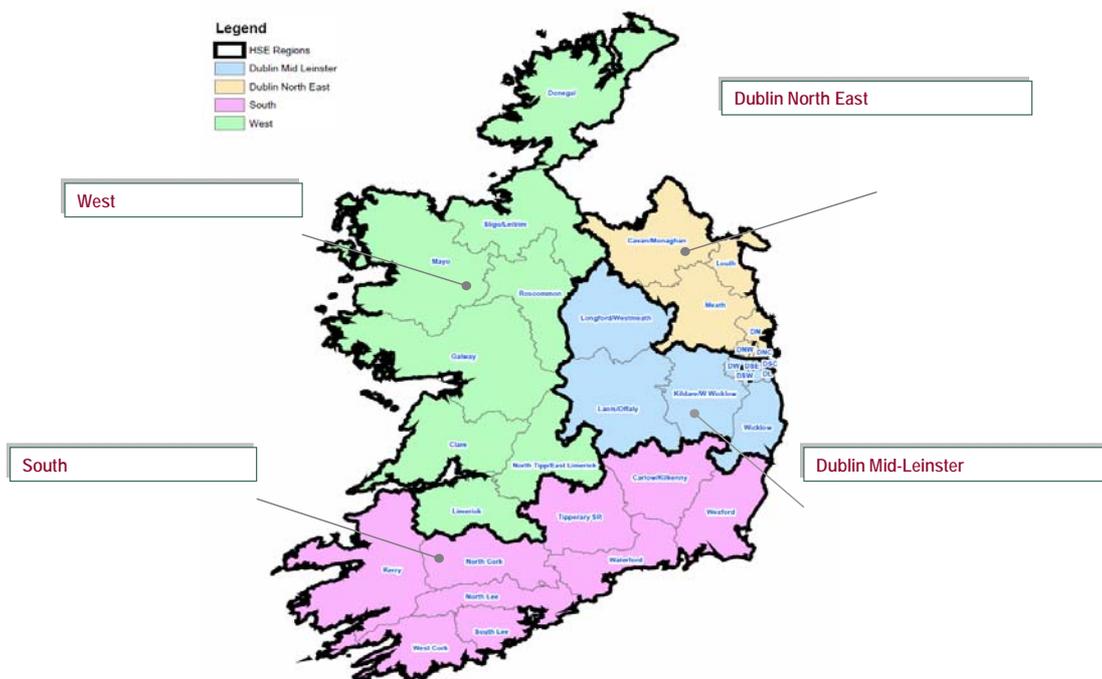
Children and Family Services

The Children and Family Services Directorate is responsible for the delivery of a wide range of services to ensure the optimum care and protection of children and their families. A wide range of services are provided or commissioned by the HSE including early years' services, family support services, child protection/welfare/safeguarding services, alternative care, services for homeless youths, search and reunion services and psychological services for children.

Commercial Support Services

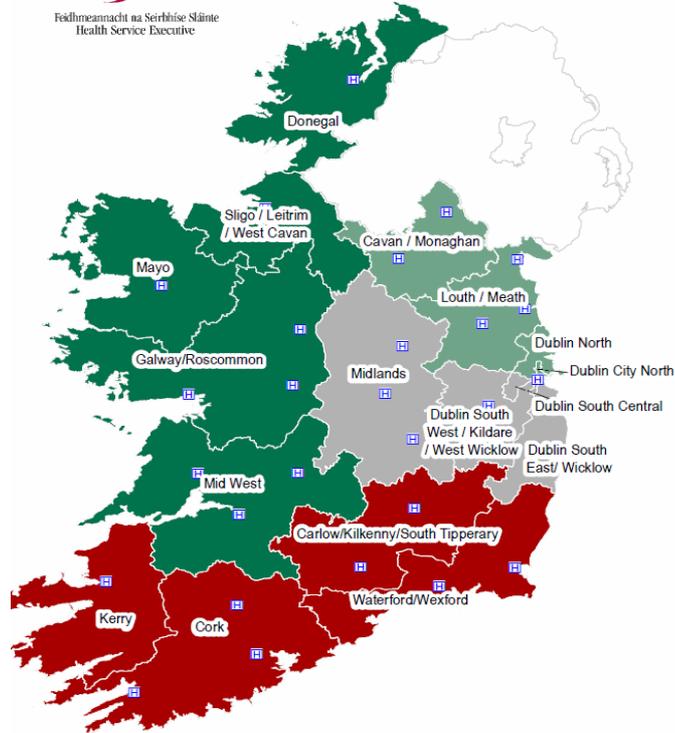
The Commercial and Support Services Directorate is responsible for the management of ICT, Capital and estates, Procurement, Contracts and Legal Services.

HSE - Regional Management



HSE Code Of Governance

HSE Areas



Legend

- Hospitals
- HSE Dublin Mid Leinster
- HSE Dublin North East
- HSE South
- HSE West

Produced by:
National Projects Office - Service Operations
Holland Rd., Limerick.
OSI Licence HSE 030601
March 2011