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INTRODUCTION AND GUIDING PRINCIPLES
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.


Guiding Principles

The Department of Finance Code of Practice for the Governance of State Bodies 2009, 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.


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.
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.
This section outlines the legal basis on which the HSE was established and its governance.

2.1 Object and Function of the HSE

The HSE was established by Ministerial order on 1 January 2005 in accordance with the provisions of the Health Act 2004, as amended by the Health Service Executive (Governance) Act, 2013 as the single body with statutory responsibility for the management and delivery of health and personal social services to the population of Ireland. Section 7 of the Health Act, 2004 (as amended) states that 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.

2.2 How the HSE is Funded

From the time of the establishment of the HSE in 2005 the HSE held the “Vote” and the CEO and later the Director General were the Accounting Officers. With effect from the 1st January 2015 this is no longer the case. The Health Service Executive (Financial Matters) Act 2014 provided for the disestablishment of the Vote of the Health Service Executive from January 2015. From that date the funding of the HSE is mainly through the Vote of the Office of the Minister for Health to the HSE. The HSE continues to collect the income it generates through statutory charges, superannuation contributions and other miscellaneous income.

In accordance with Section 7 of the Health Service Executive (Financial Matters) Act 2014 the Minister determines the maximum amount of net non-capital expenditure that may be incurred by the Executive. The Minister is required to notify the HSE of this determination no later than 21 days after the publication by the Government of the Estimates for the Public Services more commonly known as the Abridged Estimates Volume, or AEV. The legislation also allows the Minister to adjust a Net Determination for the HSE in the course of the year.

2.3 Corporate Values

The Health Service Executive Corporate Plan 2015-2017 – Building a high quality health service for a healthier Ireland, sets out the Vision, Mission and Values for the organisation. The Vision – “A healthier Ireland with a High Quality Health Service valued by all” is the ambition of the Health Service over the three year life of the Corporate Plan. The core values of Care, Compassion, Trust and Learning are key values of the organisation. The HSE requires all staff to live their Values every day when interacting and dealing with service users, colleagues and members of the public.

The HSE’s values are:

**Care**
- To provide care that is of the highest quality
- To deliver evidence based best practice
- To listen to the views and opinions of our patients and service users and consider them in how we plan and deliver our services

**Compassion**
- To show respect, kindness, consideration and empathy in our communication and interaction with people
- To be courteous and open in our communication with people and recognise their fundamental worth
- To provide services with dignity and demonstrate professionalism at all times
Trust
- To provide services in which people have trust and confidence
- To be open and transparent in how we provide services
- To show honesty, integrity, consistency and accountability in decisions and actions

Learning
- To foster learning, innovation and creativity
- To support and encourage our workforce to achieve their full potential
- To acknowledge when something is wrong, apologise for it, take corrective action and learn from it

2.4 Role of the Directorate as the Governing Body of the HSE

Following the enactment of the Health Service Executive (Governance) Act on 25 July 2013, the HSE Directorate was established as the governing body of the HSE.

Section 16C of the Health Service Executive (Governance) Act 2013 specifies the role of the Directorate as follows:

16C. (1) The Directorate is the governing body of the Executive with authority, in the name of the Executive, to perform the functions of the Executive.

(2) Subject to any directions that may be issued by the Minister under subsection (8), the Directorate may delegate to the Director General any of the Executive’s functions.

(3) If a function of the Executive is delegated to the Director General under subsection (2), the delegation shall remain in force until the Directorate revokes the delegation.

(4) The Directorate shall notify the Minister in writing of any delegation made under subsection (2) and of any revocation of such delegation.

(5) The Directorate is accountable to the Minister for the performance of its functions and those of the Executive and the Director General shall account to the Minister on behalf of the Directorate for the performance by the Directorate of its functions and those of the Executive.

(6) The Director General shall account to the Minister pursuant to subsection (5) through the Secretary General of the Department of Health.

(7) The Directorate shall inform the Minister of any matter which it considers should be brought to the attention of the Minister.

(8) The Minister may issue a direction to the Directorate in relation to the delegation of the Executive’s functions to the Director General.

The Directorate has collective responsibility as the governing authority for the HSE and the authority to perform the HSE’s functions. The Directorate is accountable to the Minister for the performance of the HSE’s functions and its own functions as the governing authority of the HSE. The Director General as the Chairman of the Directorate accounts on behalf of the Directorate to the Minister. This creates a direct line of accountability for the Directorate to the Minister.

The Health Service Executive (Governance) Act 2013 allows the Minister for Health to issue directions to the HSE on the implementation of Ministerial and government policies and objectives and to determine priorities to which the HSE must have regard in preparing its service plan. The HSE must comply with directives issued by the Minister for Health under the Acts.

To provide assistance and advice in relation to the performance of its functions, the Directorate has established a number of Committees including an Audit Committee and a Risk Committee, each of which comprises one appointed Director and external nominees. Directorate committees act in an advisory capacity and have no executive function.
The Audit Committee is appointed by the Directorate in accordance with Section 40H of the Health Act 2004 (as amended) (ref. section 17 of the Health Service Executive (Governance) Act, 2013). The focus of the Audit Committee, in providing advice to the Directorate and the Director General, is on the regularity and propriety of transactions recorded in the accounts, and on the effectiveness of the system of internal financial controls operated by the HSE.

The Risk Committee is established in accordance with the provisions of section 16M of the Health Service Executive (Governance) Act, 2013. The Risk Committee operates under agreed Terms of Reference and focuses principally on assisting the Directorate in fulfilling its duties by providing an independent and objective review of non-financial risks.

In accordance with statutory requirements the Directorate meets in each of at least 11 months of the year. The Directorate also holds regular meetings with the Department of Health’s Management Advisory Committee and the Ministers at the Department of Health.

The Terms of Reference for these Committees are available in the Procedures and Business of the Directorate document is attached at Appendix 1, or via the following link: www.hse.ie/eng/about/Who/directoratemembers/codeofgovernance/governance.html

### 2.5 Membership of the Directorate

The membership of the Directorate consists of (a) the person holding the position of Director General and (b) such other numbers of directors as the Minister appoints.

The Director General is an ex-officio member of the Directorate and is the Chairperson. Other members appointed to the Directorate by the Minister are referred to as “appointed directors”.

Section 16A(2) Health Act 2004 (as amended) specifies that the number of persons appointed to the Directorate as “appointed directors” at any time shall not be fewer than 2 and not be greater than 8.

Section 16A(3) identifies that persons appointed as directors must be a person who is an employee of the Executive holding the grade of national director or other grade in the Executive which is not less senior than the grade of national director. In accordance with Section 16A(5) persons appointed to the grade of national director on a temporary or acting basis can hold the position of membership of the Directorate for as long as that appointment exists.

Appointed directors hold office as a member of the Directorate for a term of 3 years and can be re-appointed by the Minister for a second or subsequent term of office.

Section 16A(4) provides that upon an “appointed director” ceasing employment with the Executive in a grade of national director that the person shall cease to be an appointed director.

The Directorate currently consists of nine members; the Director General as an ex-officio member, and eight Appointed Directors as follows:
- Deputy Director General
- Chief Financial Officer
- National Director Quality Improvement
- National Director Acute Hospitals
- National Director Mental Health
- National Director Primary Care
- National Director Social Care
- National Director Health and Wellbeing
2.6 Delegation of Functions – Directorate, Director General and National Directors

The HSE exercises a wide range of statutory functions which may have significant implications both for individuals and for the public generally. The legislation recognises that neither the Directorate nor the Director General could exercise all of these functions personally and provide for a formal system of delegations under Sections 16C and 16H of the Health Act 2004 (as amended).

The HSE has in place a Delegations Policy Framework which sets out the framework and supporting policy guidelines that underpin good governance regarding the system of delegation of statutory functions throughout the HSE.

The objective of the system of delegations is to ensure that relevant managers/personnel in the HSE are delegated/sub-delegated appropriate legal authority to carry out statutory functions.

The key delegation schedules are set out as follows:

1. Delegation by the Directorate to the Director General;
2. Delegation by the Director General to the National Directors;
3. Sub-delegation by the National Directors to Senior Service Managers e.g. Hospital Group CEOs, Community Health Organisation Chief Officers, Assistant National Directors etc.;
4. Sub-delegation by Senior Service Managers to other appropriate employees in respect of certain specified functions.

2.7 Reserved Functions of the Directorate

The Directorate has reserved the following functions for its approval:

- Major strategic developments provided for in the Corporate Plan, Service Plan, and Capital Plan
- Expenditure decisions over an agreed financial threshold
- Codes of Standards and Behaviour, Codes of Conduct
- Monitoring of performance on a monthly basis
- Approval of Annual Report of Performance and Financial Statements
- Schedule of ongoing approvals.

The full list of reserved functions of the Directorate is contained in the Procedures and Business of the Directorate document attached at Appendix 1, or via the following link:

www.hse.ie/eng/about/Who/directoratemembers/codeofgovernance/governance.html

The Directorate meetings deal with the reserved functions and other key areas. Immediately following the Directorate meetings, the non-Directorate members of the Leadership Team join and all Leadership Team business is then conducted. The Leadership Team also holds a monthly meeting to consider the HSE’s reform agenda, and report on progress in this area.

In practice the Directorate delegates to the Director General all the functions of the HSE, except for the specific functions it reserves to itself.
2.8 General Functions of Director General

In addition to his functions as a member and Chairperson of the Directorate, the Director General’s functions under Section 16G of the Health Service Executive (Governance) Act 2013 include carrying on, managing and controlling generally the administration and business of the Executive. Under Section 34A of the Health Service Executive (Financial Matters) Act 2014, the Director General has the statutory responsibility to ensure that the HSE operates within its budget, both in respect of capital and non-capital expenditure. It also obliges the Director General to notify the Minister if actions being undertaken by the Executive are likely to lead to it breaching its financial limits.

The Director General was the Accounting Officer for the HSE up until 31 December 2014. The Vote of the HSE was disestablished on 1 January 2015, in accordance with the provisions of the Health Service Executive (Financial Matters) Act, 2014 and the Vote transferred to the Department of Health. The legislation provides that the Director General is accountable to the Committee of Public Accounts in respect of the HSE’s annual financial statements and any other reports made by the Comptroller and Auditor General.

The Director General is accountable to the Minister on behalf of the Directorate for the performance by the Directorate of its functions and those of the Executive. The Director General accounts through the Secretary General of the Department of Health.
3

HEALTH SERVICE EXECUTIVE ORGANISATIONAL STRUCTURE
The Directorate is supported by a wider Leadership Team of National Directors who are responsible for National Service Delivery Divisions and the National Support Divisions (see Figure 1 below).

**Figure 1**

- **Minister for Health**
- **Director General**
- **National Director**
  - Internal Audit
  - Clinical Strategy & Programmes
  - HR
  - Health Business Services
  - Communications
  - Clinical Strategy & Programmes
  - National Director Primary Care
  - National Director Mental Health
  - National Director Health & Wellbeing
  - National Director Social Care
  - National Director Quality Improvement
  - National Director Acute Hospitals
  - National Director National Cancer Control Programmes
  - Chief Executive Officers Hospital Groups
  - Executive Management Committee for Community Services
  - Chief Officers Community Healthcare Organisations
  - National Director National Ambulance Service
  - National Director National Cancer Control Programmes
  - Deputy Director General
  - Chief Financial Officer
  - National Director Acute Hospitals
  - National Director Quality Improvement
  - National Director Social Care
  - National Director Health & Wellbeing
  - National Director Mental Health
  - National Director Primary Care

**7 Hospital Groups:**
1. Ireland East Hospitals Group
2. RCSI Hospitals Group (Dublin North East)
3. Dublin Midlands Hospitals Group
4. University of Limerick Hospitals
5. South/South West Hospitals Group
6. Saolta – West/North West Hospital Group
7. Children’s Hospital Group

**9 Community Healthcare Organisations:**
1. Donegal, Sligo/Leitrim/West Cavan, Cavan Monaghan
2. Galway, Roscommon, Mayo
3. Clare, Limerick, North Tipperary/ East Limerick
4. Kerry, North Cork, North Lee, South Lee, West Cork
5. South Tipperary, Carlow Kilkenny, Waterford, Wexford
6. Wicklow, Dun Laoghaire, Dublin South East
7. Kildare/West Wicklow, Dublin West, Dublin South City, Dublin South West
8. Laois/Offaly, Longford/West Meath, Louth/Meath
9. Dublin North, Dublin North Central, Dublin North West
3.1 National Service Delivery Divisions

In line with the health reforms set out in the Department of Health’s Future Health – A Strategic Framework for Reform of the Health Service 2012-2015, health and social care services are delivered through a number of National Service Delivery Divisions, responsible for the delivery of services to the public. National Service Delivery Divisions are as follows;

- Acute Hospitals
- Social Care
- Mental Health
- Primary Care
- Health and Wellbeing
- National Ambulance Service

A brief outline of the functions and responsibilities of each of these National Service Delivery Divisions is set out below.

- **Acute Hospitals**
  Acute hospital services are provided through seven Hospital Groups. The Acute Hospitals Division works directly with acute hospitals across the country to provide all patients with equal access to safe quality services. The Division also collaborates with other Divisions and key stakeholders. The reorganisation of public hospitals into seven Hospital Groups is designed to deliver improved outcomes for patients. The hospitals making up each group work together to provide acute care for patients and work to develop close relationships with health and social care services in the community. The objective is to maximise the amount of appropriate care delivered in local smaller hospitals while ensuring that highly specialised and complex care is safely provided in larger hospitals.

- **Social Care**
  The Social Care Division supports and facilitates older people and people with disabilities to live independently by promoting their independence and lifestyle choice as far as possible. Services are delivered directly by the HSE or through agencies funded by the HSE which are governed through service arrangements or grant aid agreements.

- **Mental Health**
  The objective of the Mental Health Division is to create a structure to effectively manage the strategic, operational and financial activities for mental health services. The division has responsibility for Area based Mental Health Services (approved in-patient residential centres and all community based teams), Child and Adolescent Mental Health, General Adult Mental Health, Psychiatry of Old Age, the National Forensic Mental Health Service, the National Counselling Service and the National Office for Suicide Prevention.

- **Primary Care**
  The objective of the Division is to ensure that the vast majority of patients and clients who require urgent or planned care are managed within primary care and community based settings whilst ensuring that services are safe and of the highest quality, responsive, accessible, efficient, integrated and aligned with relevant specialist services.

- **Health and Wellbeing**
  The objective of the Division is to support people to live healthier and more fulfilled lives. Health and Wellbeing services cover the areas of public health, health protection, child health, national screening programmes, health promotion and improvement, environmental health, emergency management and health intelligence. The Division also has an enabling role in relation to the roll out of the Healthy Ireland Framework in the health services through the development and implementation of Hospital Groups, Community Healthcare Organisations and Divisional Health Intelligence plans.

- **National Ambulance Service**
  The objective of the National Ambulance Service is to provide a modern, quality service that is safe, responsive and fit for purpose whilst delivering a significant reform agenda which has at its centre service improvement to ensure high quality safe care for its patients.
ARRANGEMENTS FOR THE DELIVERY OF HEALTH AND PERSONAL SOCIAL SERVICES THROUGH HOSPITAL GROUPS, COMMUNITY HEALTHCARE ORGANISATIONS AND NON-STATUTORY SERVICE PROVIDERS
Delivery of health and personal social services is operationalised nationally through the Hospital Group, Community Healthcare Organisation and non-statutory service provider structures as described below.

4.1 Hospital Groups

The establishment of Hospital Groups was committed to in ‘Future Health: A Strategic Framework for Reform’ and is a key building block in delivering on the commitment in the Programme for Government to fundamentally reform our health services. The work required to establish hospital groups was further detailed in the ‘Report on the Establishment of Hospital Groups as a transition to Independent Hospital Trusts’ published in 2013.

Under this reform, the Irish acute hospitals system has been organised into seven groups, each with its own management structure and linked to a major academic partner which it is anticipated will be established under legislation.

There are 7 Hospital Groups each managed by a Group Chief Executive Officer as follows;

1. Ireland East Hospitals Group
2. RCSI Hospitals Group (Dublin North East)
3. Dublin Midlands Hospitals Group
4. University of Limerick Hospitals
5. South/South West Hospitals Group
6. Saolta University Health Care Group
7. Children’s Hospital Group

The Hospital Groups have been established to ensure that services can be organised in an optimum way across a number of hospitals in the group. Hospital groups are led by a group Chief Executive Officer (CEO) who is legally accountable to the National Director of Acute Hospitals.

While the governance for Hospital Groups is currently in development the priority is to get all the Hospital Groups up and running as single cohesive entities. Pending the necessary legal framework for hospital groups to perform their governance and assurance functions interim arrangements are being progressed to establish Hospital Group Boards within the existing legal framework.

The organisation of public hospitals in this manner is designed to ensure patients access appropriate treatment in the right setting, receive the best possible clinical outcomes and provide sustainability for hospital services into the future.

Organising hospitals into groups is intended to allow for appropriate integration and improve patient flow across the continuum of care whilst delivering safe patient care in a cost effective manner. Each grouping includes a primary academic partner which will stimulate a culture of learning and openness to change within the hospital group.

Each hospital group is required to develop a strategic plan to describe how they will provide more efficient and effective patient services; reorganise these services to provide optimal care to the populations they serve; and how they will achieve maximum integration and synergy with other groups and all other health services, particularly primary care and community care services.
4.2 Community Healthcare Organisations

There are 9 Community Healthcare Organisations organised as follows:

- **Area 1**: Donegal, Sligo/Leitrim/West Cavan, Cavan/Monaghan.
- **Area 2**: Galway, Roscommon, Mayo.
- **Area 3**: Clare, Limerick, North Tipperary/East Limerick
- **Area 4**: Kerry, North Cork, North Lee, South Lee, West Cork
- **Area 5**: South Tipperary, Carlow Kilkenny, Waterford, Wexford
- **Area 6**: Wicklow, Dun Laoghaire, Dublin South East
- **Area 7**: Kildare/West Wicklow, Dublin West, Dublin South City, Dublin South West
- **Area 8**: Laois/Offaly, Longford/West Meath, Louth/Meath
- **Area 9**: Dublin North, Dublin North Central, Dublin North West

The Community Healthcare Organisations (CHOs) are responsible for the delivery of primary and community based services responsive to the needs of local communities. CHO’s are managed by a Chief Officer (CO) who is legally accountable to the chair of the Executive Management Committee (appointed by the Director General).

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.

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.

Each CHO focuses on the implementation of nationally agreed standardised models of care for each care group, bringing a local community focus to service delivery, and ensuring integrated services are provided to their primary care networks serving average populations of 50,000.

The Chief Officer, working in line with nationally agreed frameworks and reporting arrangements has full responsibility and accountability for:

- the delivery of all primary, community, mental health, social and continuing care services within the catchment area,
- ensuring the appropriate integration with secondary care services and with all appropriate stakeholders, and
- governance of Community Healthcare Organisations, which is currently under development.
4.3 Section 38 and 39 Agencies

In addition to the services provided directly by the HSE the HSE also enters into arrangements with service providers for the provision of health and personal social care services on its behalf.

The Health Act 2004 provides the legal framework for the HSE to enter into arrangements or agreements with two distinct categories of agencies/groups:

- Section 38 (1) states that:
  
  The Executive may, subject to its available resources and any directions issued by the Minister under section 10, enter, on such terms and conditions as it considers appropriate, into an arrangement with a person for the provision of a health or personal social service by that person on behalf of the Executive.

- Section 39 (1) states that:
  
  The Executive may, subject to any directions given by the Minister under section 10 and on such terms and conditions as it sees fit to impose, give assistance to any person or body that provides or proposes to provide a service similar or ancillary to a service that the Executive may provide.

In addition, Section 7(5)(a) of the Health Act, 2004 states that in performing its functions, the HSE shall have regard to services provided by voluntary or other bodies that are similar or ancillary to services that it is authorised to provide.

Voluntary/non-statutory service providers have a long history of providing health and personal social services in Ireland. These organisations vary in scale and complexity, ranging from large acute hospitals to local community based organisations providing social care services. Section 38 Agencies are limited to 23 non-acute agencies and 16 voluntary acute hospitals currently within the HSE Employment Control Framework. Grants to the other voluntary agencies are covered under the provisions of Section 39. In 2014, over €3.4 billion of the HSE’s total expenditure related to services provided by all agencies on behalf of the HSE.

Policies and procedures in place for the governance of grants to agencies include the following:

- The HSE has a formal national governance framework with national standardised documentation which governs grant funding provided to agencies under sections 38 and 39 of the Health Act 2004. This governance framework seeks to ensure the standard, consistent application of good governance principles which are robust and effective to ensure that both the HSE and the grant-funded agency meet their respective obligations.

- It is the policy of the HSE to have properly executed Governance Documentation in place with each grant-funded agency in a timely manner. This policy is outlined in the National Financial Regulation, NFR-31 Grants to Outside Agencies and detailed in a comprehensive operational manual. The National Standard Governance Documentation, operating procedures, guides and process control forms are maintained on the HSE’s intranet site.

- Both the Governance Documentation and the operating procedures detail the requirements for performance review, including submission and review of financial statements and periodic performance review meetings with agencies on a proportionate basis.
4.4 Types of Service Arrangements and Agreements

The following four arrangements/agreements cover all categories of non-statutory service providers:

- Section 38 Service Arrangements cover the Voluntary Hospitals and the major non acute voluntary community agencies
- Section 39 Service Arrangements cover all voluntary and community agencies, other than the above, in receipt of funding over €0.250m
- Section 39 Grant Aid Agreements cover all agencies in receipt of funding under €0.250m
- For Profit Service Arrangements cover all agencies in the commercial for profit sector regardless of funding level.

4.5 Annual Compliance Assurance Process for section 38 agencies

In December 2013 the HSE enhanced its governance arrangements with Section 38 agencies and strengthened the direct relationship between the HSE and the Boards of each of these agencies by the introduction in 2014 of an annual compliance assurance process. In particular, the HSE:

- Introduced a new Compliance Statement whereby the Chair and another Director of the Board signs and confirms on behalf of the Board that the agency has complied in full or in part with key areas under their Service Arrangement.
- Defined best practice requirements for Boards and Corporate Governance arrangements.
5

DELIVERING INTEGRATED CARE ACROSS HOSPITAL GROUP AND COMMUNITY HEALTHCARE ORGANISATIONS
Though health and personal social services are operationally delivered through separate organisational structures for hospital services and community services and non-statutory service providers, there is a strategic and co-ordinated approach to the development of integrated programmes of care to deliver improved patient care, improved access and better use of resources. The first phase of this has been based around developing excellence in individual specialties to manage specific diseases and stages of care with an emerging emphasis on the integration of these to provide a more effective end to end patient journey particularly where patient needs are complex and involve multiple encounters delivered across a range of providers.

Integrated Care simply means that all services work together in a well co-ordinated way around the assessed needs of the person. This working together deals with two key issues for any person, community or the population.

- The first is the ease, through which a person can go through the different healthcare services to meet their needs.
- The second is the quality of outcome they get at the end of that patient journey.

The first point of contact for most people is their GP in Primary Care Services who will arrange, as appropriate, urgent and routine referral to specialty services including acute hospital, mental health services, elderly services or disability services as well as providing primary care services.

Work is underway on the development of standardised models and care pathways nationally, which, will support effective integration between all aspects of community services across primary care, social care and mental health services. Work is also underway to support integration between these Community Healthcare services and the Hospital System.

### 5.1 HSE’s Clinical Strategy and Programmes Division – Integrated Care Programmes

The HSE’s Clinical Strategy and Programmes Division is leading a large-scale programme of work to develop a system of Integrated Care within our health and social care services. This is an ongoing programme of change which will continue, in the long term, to drive improvements across all health and social care services. This will involve staff at every level of the health service working together to create improved experiences and outcomes for the patients, clients and carers.

The Five Integrated Care Programmes are working with the existing National Clinical Programmes, Service Divisions, and other key support functions including Finance, HR and ICT to ensure the correct business supports are available to deliver seamless patient-centred services. The five Integrated Care Programmes established are:

1. Patient Flow
2. Older Persons
3. Prevention and Management of Chronic Disease
4. Children
5. Maternity

These five areas will allow the HSE to tackle the most pressing challenges in our health and social care systems, and improve outcomes and experiences for the greatest number of patients – and for our staff. Each of the five programmes will develop a framework and implementation plan.
The National Service Divisions are supported by a number of supporting functions as follows:

- Office of the Director General, Deputy Director General and System Reform Group (Part of the Office of the Director General)
- Human Resources
- Finance
- Clinical Strategy and Programmes
- National Cancer Control Programme
- Quality Assurance and Verification
- Quality Improvement
- Office of the Chief Information Officer
- Health Business Services
- Communications
- Internal Audit

- **Office of the Director General**
  
  The staff in the Office of the Director General support the Director General in the discharge of the statutory functions of the role and the management and administration associated with this task.

- **System Reform Group**
  
  As part of the HSE’s Transformation and Change Agenda, the System Reform Group (SRG) was established in the Office of the Director General to project manage the HSE Reform Programme. The SRG is led by the National Lead for Transformation and Change. The National Lead heads the HSE Reform Programme on behalf of the Director General, providing the strategic vision and driving the change management culture across the organisation. The SRG manages the HSE Reform Portfolio and provides expertise and change management support to the individual programmes. It also works collaboratively with the Clinical Care Programmes in the design and development of Integrated Care Programmes (see below).

- **Office of Legal Services**
  
  The HSE established the Office of Legal Services in 2010. The purpose and function of this in-house legal team is to advise the HSE on how to strategically manage litigation which has the potential to impact on policy and practices in the provision of health services. The in-house team are involved in the management and review of all significant litigation concerning the HSE. The in-house legal team liaise between HSE management and external HSE legal service providers and in appropriate cases provide the latter with instruction on how to conduct litigation or alternative dispute resolution on behalf of the HSE. Where a legal dispute involves another State Body, every effort is made to mediate, arbitrate or otherwise before legal costs are incurred. The role of the Office of Legal Services also includes overseeing the standard and quantum of legal services provided to the HSE and where appropriate, querying and verifying charges for provision of these services.

- **Office of the Deputy Director General**
  
  The primary role of the Deputy Director General is to support the Director General in the discharge of his functions and to deputise for the Director General in his absence.

  The Deputy Director General also has primary responsibility for Strategic Corporate Planning, Annual Service Planning, Business Information and Performance Management, Strategic projects, Development and implementation of the HSE’s Accountability Framework, the HSE’s Governance Framework with its funded agencies and the management of specific cross Divisional priorities.
The Deputy Director General holds responsibility for the HSE’s Compliance Unit, a key role of which is to safeguard the regulatory and governance obligations of the HSE through ensuring that all agencies funded under sections 38 and 39 of the Health Act 2004 (as amended) are compliant with the guidelines and regulations as set out in the Service Arrangements. The Compliance Unit is responsible for the Annual Compliance Statement process for these agencies. More detail on the accountability arrangements for Section 38 and 39 agencies is available in section 4.3.

- **Human Resources**
  The HR Division provides HR support to the services supporting line managers to build an engaged, motivated and skilled 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.

- **Health Business Services**
  The objective of the Health Business Services (HBS) Division is to provide all health and personal social service providers with access to a range of common support business services on a shared basis. This enables operational services to focus management attention on its core business of delivering services to the population. The functions of HBS include national responsibility for; HBS Estates, HBS Procurement and Customer Relationship Management. HBS also provides shared services on behalf of Finance and Human Resources.

- **Office of the Chief Information Officer**
  The objective of the Office of the Chief Information Officer (OCIO) is to act as an enabler for the health service throughout Ireland. The focus is to facilitate the adoption of new technology and innovations identified within the eHealth Strategy at a pace that will provide a return on additional investment made in information and technology within health. The OCIO is also responsible for ensuring that all ICT expenditure is approved by CMOD, part of the Department of Public Expenditure and Reform.

- **Clinical Strategy and Programmes**
  Clinical Strategy and Programmes was established to improve and standardise patient care throughout the organisation by bringing together clinical disciplines and enabling them to share innovative solutions to deliver greater benefits to every user of HSE services.

  There are a number of National Clinical Programmes. The Programmes are based on three main objectives:
  - To improve the quality of care we deliver to all users of HSE services
  - To improve access to all services
  - To improve cost effectiveness

  A full listing of these programmes can be accessed via the following link: www.hse.ie/eng/about/clinicalprogrammes/

  In partnership with the System Reform Unit (below), Clinical Strategy and Programmes also work strategically to develop Integrated Care Programmes which are models of care delivery that integrate the work of the service delivery divisions so that services are designed, delivered and funded in a manner that supports effective patient centred care.

- **National Cancer Control Programme**
  The NCCP oversees the implementation of the 2006 National Cancer Control Strategy. This recommended that Cancer Centres should be networked together in Managed Cancer Control Networks and to equip the HSE with broad self sufficiency of services in relation to the more common forms of cancer.
Quality Improvement
The Quality Improvement Division (QID) has been established to support and enable quality improvement of services in partnership with internal and external organisations. The role of the Division is therefore to champion quality improvement through providing consistent leadership for improving quality, building capacity and partnering with people to advise, innovate, share and support the spread of sustainable solutions for improvement.

Quality Assurance and Verification
The Division seeks to provide assurance to the Directorate and Risk Committee in relation to the quality and safety of services provided. It is responsible for undertaking assessment monitoring and inspection of all aspects of the service delivery model and to independently report on performance and recommend corrective remedial action where underperformance is identified.

Finance
The objectives of the finance team are to manage the finances of the HSE, to deliver enhanced accountability and value for money and to develop a standardised Financial Management framework for the HSE. The overall objective of the Finance Division 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 National Financial Regulations provide the basis for the development of the standardised Financial Management Framework within which the internal financial control system of the HSE operates. These regulations have been prepared to meet best practice requirements and to meet specific requirements of:

- Irish and EU statutory provisions
- Department of Health and Government policies and guidelines

It is the responsibility of all Budget Holders, managers and staff in the delivery of day-to-day operations and corporate activities to ensure that the Financial Regulations are fully complied with.

Communications
The Communications Division 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.

The Communications Division is responsible for press and media engagement, internal communications, public communications, advertising, social marketing, branding, launches, media monitoring, web-development, publications and digital media. The role of the Communications Division is to provide guidance, oversight, and set quality standards to be met by all HSE communications projects.

Internal Audit
The HSE’s Internal Audit Division 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, and to make recommendations for the improvement of such controls and procedures. The HSE Audit Committee to whom the Division reports monitors the work of the Division.
7

COMMITMENT TO SERVICE QUALITY, SAFETY AND RISK MANAGEMENT
The HSE, like all leading healthcare systems, places patient safety and quality of care at the heart of service provision and delivery. The delivery of high quality, evidence based, safe, effective and person centred care, is a key objective for the HSE.

International best practice points to the need for quality and patient safety functions to be robust at corporate level to enable staff to embed a culture of quality and safety within their services. The health service is committed to maintaining the highest possible standards of care for patients/clients and providing employees with a safe system of work to enable them to deliver a high quality service. The health service is also committed to promoting a culture of openness and accountability so that employees can report any concerns they may have in relation to their workplace.

In this context, the HSE has redesigned its national Quality and Patient Safety function to give it an enhanced role in relation to both quality improvement and quality assurance, within an environment where patients, service users and staff are involved, their opinions sought and their voice is heard.

Underpinning these new arrangements is the establishment of a Quality and Patient Safety Enablement Programme to give effect to these changes. Enablement in this context refers to an approach that provides the means, opportunity and authority for service users and providers to develop the skills and confidence necessary to improve the quality and safety of services. The overall goal of the HSE’s Quality and Patient Safety Enablement Programme is to improve the quality of services with measurable benefits for patients and service users. The four key objectives which underpin the Programme are as follows:

**Objective 1:** Services must subscribe to a set of clear quality standards that are based on international best practice.

**Objective 2:** Services must be safe and there must be a robust level of both quality improvement and quality assurance.

**Objective 3:** Services must be relevant to the needs of the population.

**Objective 4:** Patients must be appropriately empowered to interact with the service delivery system.

To deliver on the key objectives required for the development of an effective and sustainable Quality, Patient Safety and Enablement Programme the HSE has reorganised its functions to support, facilitate and build a quality and safety agenda at corporate, divisional and service provider levels. The HSE has strengthened the processes it has in place in the areas of:

- Complaints management
- Appeals
- The approach to whistle blowing including protected disclosures
- Appointment of the HSE’s Confidential Recipient to enable individuals (service users and staff) to raise concerns.

Further details on these policies and procedures are listed in section 8 (Policies, Procedures, Protocols and Guidelines).
7.1 Risk Management

The HSE recognises the importance of risk management, including financial risk management, as an essential process for the delivery of quality and safe services. Risk management at an operational level is a line management function. Each Division is required to describe accountability arrangements for managing risk at all levels within the Directorate. These arrangements are part of the normal reporting mechanism to ensure that risk management is embedded into the business process. Each service/function is obliged to identify, assess and manage risk relevant to their area. The risk register is the principal tool to enable communication of this risk information. Where risks are identified that have significant potential to impact on the overall objectives of the HSE they are recorded on the Corporate Risk Register. The register is a mechanism to provide assurance (evidence) to the Directorate that risk is being identified, assessed and managed and that a range of control measures and action plans are in place to mitigate the risks identified. Regular reports on the status of the corporate risks are submitted to the Risk Committee. The full suite of HSE risk management policies, procedures and guidelines are published on www.hse.ie.

7.2 Code of Conduct for Health and Social Service Providers

This Code of Conduct, which sets out employees’ and managers’ responsibilities in relation to achieving an optimal safety culture, governance and performance of the organisation, was approved and endorsed by the Minister in March 2015. The HSE is progressing the implementation of the Code.

The primary objective of the Code is to ensure the safety of those that access our services and to ensure that the quality of these services is always improving. The Code is recognition of the fact that frontline staff face a high-risk environment involving a complex set of interactions between individuals, teams, organisations and technologies every day and that, to achieve this objective, they must be supported in doing so.
To support the delivery of services the HSE has in place a wide range of written policies, procedures, protocols and guidelines which provide a standardised and comprehensive framework of administrative procedures and regular management reporting including: segregation of duties, a system of delegation and accountability and a system for the authorisation of expenditure. These contracts are essential to ensure that robust and effective organisational governance is in place.

The list of HSE policies, procedures, protocols and guidelines by Division which support the delivery and safety of services in Table (A) overleaf is also available on the HSE Code of Governance webpage via the following link:

www.hse.ie/eng/about/Who/directoratemembers/codeofgovernance/governance.html

This list is not exhaustive and is subject to change in line with legislative provisions, recommended best practice, and other requirements. To ensure reference is made to the most recent version, accessible on-line. The full content may be accessed via the HSE Code of Governance webpage as above.

These policies, procedures, protocols and guidelines include procedures designed to ensure compliance with the following as required by the Code of Governance of State Bodies (2009):

- All pay and travel circulars issued by the Department of Public Expenditure and Reform
- Procedures for acquisitions and disposals of state assets
- Procurement procedures
- Capital projects standard appraisal process
- Tax compliance

The HSE Management Controls Handbook sets out the overall framework for risk and control within the organisation and supports managers in facilitating improved management and internal control within their area of responsibility. All staff have a role to play in relation to controls and risk management and a responsibility for ensuring compliance with control and risk management arrangements within their area. Managers have a critical leadership role to play in ensuring that the HSE is meeting its governance and accountability obligations and delivering services in an effective and safe manner. All managers should read this Handbook to ensure that they fully understand their duties and obligations as managers.

The HSE’s National Financial Regulations form an integral part of the system of internal financial control and have been prepared to reflect current best practice. Particular attention has been given to ensure that the Financial Regulations are consistent with statutory requirements, Department of Public Expenditure and Reform circulars and public sector guidelines. The National Financial Regulations set out the financial limits, by staff grade, for procurement contract approval, revenue and capital expenditure and property transactions. Compliance with National Financial Regulations is mandatory throughout the organisation. The development and maintenance of the HSE’s suite of National Financial Regulations is an ongoing process, with new regulations and updates to existing regulations issued periodically in response to new or emerging requirements.
Table (A) HSE Policies, Procedures, Protocols and Guidelines by Division

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A full listing of Circulars issued by HSE HR from 2005 are available at the following link:
http://hsenet.hse.ie/Human_Resources/resources/?importUrl=http://localhost:82/eng/staff/Resources/HR_Circulars/
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### Quality, Risk and Patient Safety

#### Policies
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- HSE Business Continuity Policy (2009)
- Safety Incident Management Policy (2014)
- HSE Policy Supporting major investigations, receipt of subsequent reports and managing the implementation of the report recommendations (2012)
- Good Faith Reporting Policy (2011)
- National Consent Policy (2014)

#### Codes and Standards
- HSE Code of Practice for Healthcare Records Management – Abbreviations (2010)
- HSE Standards and Recommended Practices for Central Decontamination Units (2011)
- HSE Standards and Recommended Practices for Endoscope Reprocessing Units (2012)
- HSE Standards and Recommended Practices for Dental Central Decontamination Units (CDU) (2014)
- HSE Standards and Recommended Practices for Decontamination of Reusable Invasive Medical Devices for a Local Decontamination Unit (Dental services) (2012)
- HSE Standards and Recommended Practices for Post Mortem Examination Services (2012)

#### Guidance
- Quality and Safety Walk arounds (2013)
- Quality and Safety Committee: Guidance and Sample Terms of Reference (2013)
- Safety Pause Information Sheet (2013)
- Risk Management in the HSE. An information Handbook (2011)
- Risk Assessment Tool and Guidance (2011)
- National Integrated Care Discharge Guidance (2014)

#### Checklists
- National Clinical Programmes Model of Care Development Checklist Governance for Quality and Safety
- Quality and Patient Safety: Clinical Governance Development: an assurance check for health service providers (2012)
- Quality and Safety Prompts for multidisciplinary teams (2012)

#### Infection Prevention and Control Guidelines
Quality, Risk and Patient Safety

- National Guidelines for the Control of Legionellosis in Ireland (2009)
- National Guidelines for Blood-borne viruses in haemodialysis, CAPD and renal transplantation setting (2014)
- Guidelines for Antimicrobial Stewardship in Hospitals in Ireland, (2009)
- Guidelines for the prevention of ventilator-associated pneumonia in adults in Ireland (2011)
- Guidelines for Antimicrobial Prescribing in Primary Care in Ireland (2013)
- Diagnosis and Management of Urinary Tract Infection in residents of long term care facilities (2011)
- Updated Guidelines on Screening for Carriage of Resistant Enterobacteriaceae in Ireland (2014)
- Infection Prevention and Control for Primary Care in Ireland, a Guide for General Practice (2014)

Advocacy and Customer Care

- National Healthcare Charter – You and your health service.
- Open Disclosure: National Guidelines – Communicating with service users and their families following adverse events in healthcare. (information for staff) (2013)
- Open Disclosure: Communicating when things go wrong. (patient information leaflet) (2013)
- ‘Your Service, Your Say’ The Policy and Procedures for the Management of Consumer Feedback to include Comments, Compliments and Complaints

Information Communications Technology

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- Acute Coronary Syndrome Model of Care
- Report of the National Acute Medicine Programme
- NEWS Guideline
- Model of Care for Preadmission Units
- National Manpower Strategy for Anaesthesia
- Model of Care for Paediatric Anaesthesia
- Emergency Adult Asthma Guideline
- Emergency Paediatric Asthma Guideline
- Model of Care for COPD Outreach
- Model of Care for Adult Critical Care
- Nutrition Support Guideline for Critical Care Patients
- Model of Care for the Diabetic Foot
- Model of Care for the Provision of Continuous Subcutaneous Insulin Infusion Therapy in children aged 5 and Under
- Emergency Medicine Programme Report
- Patient Visiting Protocol in ED
- ED Best Practice Guidelines
- Infection Control Algorithm for ED
- Governance in ED Guideline
- Paediatric Triage Guideline
- Model of Care for Heart Failure Services
- Guideline for the Early Diagnosis of Heart Failure in the Community
- Irish Maternity Early Warning Score
- Ultrasound Diagnosis of Early Pregnancy
- Intrapartum Foetal Heart Rate Monitoring
- Management of Early Pregnancy Miscarriage
- Guideline for the Critically ill Woman in Obstetrics
- Specialist Geriatric Services Model of Care Part 1: Acute Services
- National Rapid Discharge Guidance for Patients Who Wish to Die at Home
- End of Life Map
- Eligibility Criteria for Specialist Palliative Care Services
- NCEC Guideline no. 6: Sepsis Management
- Thrombolysis Pathway
- Model of Care for Stroke Services
- Model of Care for Elective Surgery
- Model of Care for Acute Surgery
- Day of Surgery Admission Guidelines
- Day of Surgery Guidelines
- Integrated Care Pathway for Management of Fractured Neck of Femur
- Orthopaedic Outpatient Safe Clinic Guidelines
- Model of Care for Trauma & Orthopaedic Surgery
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<td>▶ National Clinical Guideline for the Diagnosis, Staging and Treatment of Prostate Cancer</td>
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9

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

9.1 HSE’s Performance Accountability Framework\(^3\)

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.

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\(^3\) 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](http://www.hse.ie).
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.
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.
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.
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.
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
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.
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.

Conclusion

This Code of Governance has been prepared in accordance with section 35 of the Health Act 2004. It was adopted by the HSE Directorate on the 10th November 2015 and approved by the Minister for Health on 1st December 2015.
APPENDIX 1

PROCEDURES AND BUSINESS OF THE HSE DIRECTORATE
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1 Introduction

Relevant provisions of the Health Act 2004, the Health Service Executive (Governance) Act 2013 and the Health Service Executive (Financial Matters) Act 2014 provide the legal direction and background to this document. In particular section 16K(11) of the Health Act 2004 provides that the Directorate shall regulate its own procedures and business.

The models of best practice that were consulted and used (except where provisions were clearly not applicable to a body such as the HSE) were:

- Department of Finance ‘The Role and Responsibilities of Accounting Officers – A memorandum for Accounting Officers’ (Mullarkey Report 2003)
- Department of Finance Public Procurement Guidelines – Competitive Process (2009)
- Department of Public Expenditure and Reform Public Spending Code (2013)
- The UK Corporate Governance Code (2014) and other best practice guidelines
- The Institute of Chartered Secretaries and Administrators and the Office of the Director of Corporate Enforcement (ODCE) – Best Practice Standards for the Company Secretary
- Chartered Institute of Public Finance and Accountancy and the International Federation of Accountants; International Framework: Good Governance in the Public Sector July 2014

1.1 Directorate – Legal Provisions

Following the enactment of the Health Service Executive (Governance) Act on 25 July 2013, the HSE Directorate was established as the governing body of the Health Service Executive (HSE).

Section 16C of the Health Act 2004 specifies the role of the Directorate as follows:

16C. (1) The Directorate is the governing body of the Executive with authority, in the name of the Executive, to perform the functions of the Executive.

(2) Subject to any directions that may be issued by the Minister under subsection (8), the Directorate may delegate to the Director General any of the Executive’s functions.

(3) If a function of the Executive is delegated to the Director General under subsection (2), the delegation shall remain in force until the Directorate revokes the delegation.

(4) The Directorate shall notify the Minister in writing of any delegation made under subsection (2) and of any revocation of such delegation.

(5) The Directorate is accountable to the Minister for the performance of its functions and those of the Executive and the Director General shall account to the Minister on behalf of the Directorate for the performance by the Directorate of its functions and those of the Executive.

(6) The Director General shall account to the Minister pursuant to subsection (5) through the Secretary General of the Department of Health.

(7) The Directorate shall inform the Minister of any matter which it considers should be brought to the attention of the Minister.

(8) The Minister may issue a direction to the Directorate in relation to the delegation of the Executive’s functions to the Director General.
1.2 Directorate – Responsibilities and Accountability

The Directorate has collective responsibility as the governing authority for the HSE and the authority to perform the HSE’s functions.

The Health Service Executive (Governance) Act 2013 allows the Minister for Health to issue directions to the HSE on the implementation of Ministerial and government policies and objectives and to determine priorities to which the HSE must have regard in preparing its service plan. The HSE must comply with directives issued by the Minister for Health under the Acts.

The Directorate has responsibility for major strategic development and expenditure decisions. Responsibility for operational issues is devolved, subject to limits of authority, to executive management.

The Directorate is accountable to the Minister for the performance of the HSE’s functions and its own functions as the governing authority of the HSE. The Director General as the Chairman of the Directorate accounts on behalf of the Directorate to the Minister. This creates a direct line of accountability for the Directorate to the Minister.

To provide assistance and advice in relation to the performance of its functions, the Directorate has established a number of Committees including an Audit Committee and a Risk Committee, each of which comprises one appointed Director and external nominees. The Audit Committee is appointed by the Directorate in accordance with Section 40H of the Health Act 2004 (as inserted by section 17 of the Health Service Executive (Governance) Act, 2013). Directorate committees act in an advisory capacity and have no executive function.

2 Membership of the Directorate

The membership of the Directorate consists of (a) the person holding the position of Director General and (b) such other numbers of directors as the Minister appoints. The Directorate is headed by the Director General as Chairperson. Members appointed to the Directorate by the Minister are referred to as “appointed directors”.

Section 16A(2) Health Act 2004 specifies that the number of persons appointed to the Directorate as “appointed directors” at any time shall not be fewer than 2 and not be greater than 8.

Section 16A(3) identifies that persons appointed as directors must be a person who is an employee of the Executive holding the grade of national director or other grade in the Executive which is not less senior than the grade of national director. In accordance with Section 16A(5) persons appointed to the grade of national director on a temporary or acting basis can be a member of the Directorate for as long as that appointment subsists.

The present members of the Directorate are:

- Director General (Chairman)
- Deputy Director General
- Chief Financial Officer
- National Director Quality Improvement
- National Director Acute Hospitals
- National Director Mental Health
- National Director Primary Care
- National Director Social Care
- National Director Health and Wellbeing

Note: As at September 2015
National Directors who are members of the Directorate, have a separate executive reporting line on a day to day basis and are accountable to the Director General for the performance of their functions as employees of the HSE.

2.1 Appointed Directors – Term of Office
Section 16B(1) of the Health Act 2004 provides that appointed directors hold office as a member of the Directorate for a term of 3 years and can be re-appointed by the Minister for a second or subsequent term of office.

2.2 Appointed Directors – Induction Programme
Appointed directors will, on commencement, be provided with appropriate induction training in relation to their responsibilities as an appointed director. The induction programme is designed to orient new appointed directors and to allow them to understand the processes and proceedings of the Directorate so that they can become effective in their new role as soon as possible. The main induction method comprises a series of briefing sessions with the Chairman and key members of senior management. Each new appointed director receives an information pack containing published reports and internal financial reports providing an overview of the Executive.

Subsequent training for the Chairperson and appointed directors will take place particularly in relation to new laws and regulations.

2.3 Appointed Directors – Removal at the Minister’s Discretion
Section 16D of the Health Act 2004 governs the removal from office of “appointed directors”. Under Section 16D(3), an appointed director can be removed if in the Minister’s opinion the member has:
- become incapable through ill-health of effectively performing his or her duties as an appointed director
- committed stated misbehaviour
- the removal of the person has become necessary for the Directorate to perform its functions in an effective manner
- in performing functions as appointed director the appointed director has contravened section 25(1) or 26 or an applicable provision of the Ethics in Public Office Act 1995
- or in performing functions as an appointed director the person has failed to comply with a code of conduct drawn up pursuant to section 10(3) of the Standards in Public Office Act 2001 and which relates to the appointed Director.

2.4 Appointed Directors – Resignation
Section 16B(3) of the Health Act 2004 states that an appointed director may resign from office as a member of the Directorate by letter addressed to the Minister and the resignation shall have effect on the later of either the day specified in the letter or on the receipt of the letter by the Minister.

2.5 Ceasing to be an Appointed Director
Section 16A(4) of the Health Act 2004 provides that upon an “appointed director” ceasing employment with the Executive in a grade of national director that the person shall cease to be an appointed director.
3 Business of the Directorate

The legislation recognises that neither the Directorate nor the Director General could exercise all functions personally and provides for a formal system of delegations under Sections 16C and 16H of the Health Act 2004. In practice the Directorate delegates to the Director General all the functions of the HSE except for the specific functions it reserves to itself.

3.1 Reserved Functions of the Directorate

In accordance with its delegation order, the Directorate has reserved the following functions for its approval; Plans (Corporate Plan, Service Plan, Capital Plan); Codes (Codes of Standards and Behaviour, Codes of Conduct); monitoring of performance on a monthly basis; approval of Annual Report of Performance; together with a schedule of ongoing approvals.

i. Plans (Part 7 of the Health Act, 2004)

Corporate Plan

The adoption (and amendment) of the Corporate Plan (Section 29 Health Act 2004) (for subsequent approval by the Minister for Health) detailing the key objectives of the HSE for the following three years including:

- The strategies for achieving these objectives
- The measures by which it is proposed to measure the achievements of these objectives and the uses for which it is proposed to apply resources.

Service Plan

The adoption and amendment of the Service Plan (Sections 31 & 32 Health Act 2004), (following approval of the corporate plan and subsequent approval by the Minister for Health) setting out the type and volume of health and personal social services to be provided by the HSE and the financial budget to support such services. If a Service Plan is not submitted to the Minister before the period ending 21 days after the publication of the Government of the Estimates for Supply Services for that financial year or such other period that the Minister may allow, the Minister may direct the Director General to prepare and submit one within 10 days of the issue of the direction (Section 12 of the Health Service Executive (Governance) Act 2013).

Capital Plan

The adoption (and amendment) of the Capital Plan/Capital Investment Framework, (CIF), setting out planned capital projects over a 5 year period, for subsequent approval by the Minister for Health (as part of the approval process for the Service Plan) and with the consent of the Minister for Finance.

ii. Codes

Code of Governance

The approval of a Code of Governance and all subsequent updates, as and when required (for subsequent approval by the Minister for Health) in accordance with Section 35 of the Health Act 2004 as amended by Section 15 of the Health Service Executive (Governance) Act 2013 that includes:

- The guiding principles applicable to the HSE as a public body having functions relating to health and personal social services
- The structure of the HSE, including the roles and responsibilities of the Directorate and the Director General
- The methods to be used to bring about the integration of health and personal social services
- The processes and guidelines to be followed to ensure compliance with the reporting requirements imposed on the HSE by or under the Act
- The HSE’s internal controls, including its procedures relating to internal audits, risk management, public procurement and financial reporting
- The nature and quality of service that persons being provided with or seeking health and personal social services can expect.
Codes of Conduct

The approval of Codes of Conduct (together with all updates) to be issued for the guidance of members of a Committee of the Directorate but who are not members of the Directorate, employees, advisers and employees of advisers (Section 25(3) of the Health Act 2004).

iii. Monitoring of Performance

The Directorate in its meetings i.e. those of the Directorate, those with the Leadership Team and the Directorate Committees will receive reports to include the following:

- Progress against the Corporate, Service & Capital Plans – to include an explanation of significant variances and proposed corrective actions, if necessary, to ensure achievement of the relevant plan
- Provision of advice to the Minister in relation to the Executive’s functions, (Section 7 (4) (c) Health Act 2004)
- Reports on compliance with the Code of Governance requirements of the HSE.

iv. Approval of Annual Report of Performance (Sections 36 & 37 of the Act)

The HSE’s Annual Report of performance is a legal requirement. Unlike other documents and reports required under the Health Act 2004 the Minister is not required to approve the Annual Report. The report is published online in June each year. In accordance with Sections 36 and 37 of the Health Act 2004 the Directorate:

- Will adopt Annual Financial Statements and Annual Report and
- Within four months of its year-end the Directorate shall approve and submit to the Minister for Health the HSE Annual Report and Annual Financial Statements covering inter alia:
  - A general statement of the health and social services provided by the HSE in the period under review
  - A report on the implementation of the Corporate, Service and Capital plans for the year
  - The annual financial statements of the HSE
  - Statement confirming compliance with relevant obligations under tax law
  - Arrangements for implementing and maintaining adherence to the code of governance and
  - A report on the complaints procedure (Section 55 of the Health Act 2004).

v. Ongoing Approvals by the Directorate

- Changes to the corporate structure of the HSE,
- The submission of superannuation schemes to the Minister (Section 23 Health Act 2004).
- Approval of contracts in excess of €10 million in respect of individual projects initiated under the Capital Plan/Capital Investment Framework (CIF) (following approval of the individual project by the Minister for Health and with the consent of the Minister for Finance),
- Approval of expenditure exceeding that previously approved in the Capital Plan (CIF) following approval of the Minister for Health
- Approval of contracts in excess of €10 million entered into directly by the HSE, with the exception of Service Level Agreements and/or Grant Agreements with health service providers and any other contracts which fall within the terms of Sections 38 (as amended by Section 105 of the Health Act 2007) & 39 of the Health Act, 2004,
- Appointments of External Auditors (other than the Comptroller & Auditor General),
- Creation and dissolution of Directorate Committees (Part 3 (a) Section 16M of the Health Service Executive (Governance) Act 2013),
- Appointment of Members of Directorate Committees (Part 3A Section 16M of the Health Service Executive (Governance) Act 2013),
Removal of Members of Directorate Committees,

Delegation of Directorate functions to the Director General (Section 19 of the Health Service Executive (Governance) Act 2013) and directions to the Director General in relation to the delegation and sub-delegation of these functions by the Director General, (Section 20 of the Health Service Executive (Governance) Act 2013),

The designation of a person authorised by the Directorate to be appointed as Deputy Director General, to perform the functions of the Director General under Section 16A paragraphs 4-7 of the Health Service Executive (Governance) Act 2013 in accordance with the Directorate’s resolution dealing with this issue. (An employee of the Executive appointed by the Directorate to act as Deputy Director General has the same delegated authority as the substantive post-holder for the duration of the acting period.)

Approval of bank arrangements, including the opening of all new bank accounts,

Acceptance of gifts in excess of €100,000

Approval of arms length acquisitions of land and property wherein the transaction value exceeds €2 million exclusive of VAT and Service Charges (i.e. Category 3 Property Transactions* (Section 6(2) Health Act 2004)

Note: For this purpose, the value of the lease is deemed to be the annual rental costs payable pursuant to the lease multiplied by the duration in years of the lease.

Approval of any acquisitions and disposals of land and property which are below market value (Section 6(2) Health Act 2004) excluding the authority to grant (1) tracts of land not exceeding 25 sq. metres in area owned by the HSE to the Electricity Supply Board for the provision of substations/transformers or to the National Roads Authority/County Councils or other State or Semi-State Statutory Bodies for road improvements in the interests of public safety or (2) requests for wayleaves to permit services to cross over or under HSE lands. (HSE Board decision 12.03(09/2009)

Note: Land and Property transactions are classified into two categories:

Category 1: ≤ €2 million, which may be approved by the Chief Financial Officer.

Category 3: > €2 million, which must be approved by the Directorate.

3.2 Meetings of the Directorate and Procedures

In accordance with Section 16K of the Health Act 2004, the Directorate shall hold such number of meetings as are necessary for the performance of its functions. However in each year it shall not hold fewer than one meeting in each of eleven months of that year. The Directorate also holds regular meeting with the Department of Health’s Management Advisory Committee and the Ministers at the Department of Health.

A meeting of the Directorate will not be quorate unless at least half of the members are in attendance at the meeting.

The Director General may at any reasonable time call a meeting of the Directorate. In addition any 2 appointed directors may call a meeting of the Directorate where a request in writing for a meeting of the Directorate to be called, signed by not less than 2 appointed directors, has been made to the Director General and the Director General:

- Refuses to call such a meeting, or
- Has not called a meeting within 7 days of having been requested to do so in writing.

In the event that such a meeting is called (i.e. an unscheduled meeting) all members must be given an opportunity to attend and the business of such a meeting must be tabled at the next scheduled Directorate meeting.
A member’s participation in a meeting by video link or audio link shall be regarded as valid for these purposes.

Attendance at Directorate and Committee meetings by non-members shall be at the discretion or direction of the Chairperson of the Directorate or Committee as appropriate.

The Director General, if present, shall chair the meeting. If the Director General is not present, or if that office is vacant, the appointed director designated by the Director General or the Minister, as the case may be, will, if present, chair the meeting. In any other case, the appointed directors, who are present at the meeting, will choose one of their number, to chair the meeting. The Director General and each appointed director shall each have one vote at a meeting of the Directorate. Each question at a meeting of the Directorate shall be determined by a majority of the votes of the members of the Directorate present and voting on the question. In the case of an equal division of votes, the Director General or other appointed director chairing the meeting shall have a second or casting vote.

**i. Directorate Agenda and Papers**

The Chairperson, supported by the Secretary, is responsible for setting the agenda of the Directorate. The Chairperson may from time to time consult with other Directorate members on items to include on the agenda. The agenda with supporting papers should be given to members five working days in advance of a Directorate meeting. At the Chairperson’s discretion late papers may be added.

The standing Directorate agenda includes:

- Approval of minutes from previous meeting,
- Consideration of matters arising/unresolved items from the previous meeting,
- Reports on Quality, Safety and Risk
- Reports from Committees of the Directorate
- Monthly Performance report on Finance, Human Resources, Access and Quality and Safety as set out in the annual Service Plan,
- Matters relating to the Reserved Functions of the Directorate (see section for a list of functions reserved to the Directorate)
- Matters of significance including:
  - Specific matters referred to the HSE by the Minister for Health,
  - Matters that need to be brought to the attention of the Minister for Health.

The Directorate shall also have a programme of reports and matters for consideration throughout the year on the agenda. Maintenance of this programme is the responsibility of the Secretary.

**ii. Independent Professional Advice**

The resources of the HSE are available to the Directorate, its members and its Committees to assist them in performing their duties. Members may also take independent professional advice in the furtherance of their duties at the reasonable expense of the HSE. Taking independent professional advice must be approved in advance by the Chairperson and proceed in accordance with the HSE’s procurement policy.

**iii. Directorate Communications**

Day-to-day representation of the HSE regarding operational matters is delegated to the Director General who may subsequently appoint spokespersons for the HSE.

The Director General as Chairperson shall be the spokesperson for the Directorate on all other matters.

Members will direct their communication to the HSE via the Director General (or via the Chairpersons of the Audit and Risk Committees in relation to the investigation of matters under either Committee’s remit).

Members shall observe absolute confidentiality in relation to HSE Directorate matters.
iv. Review of Directorate Performance
As part of the Annual Report the Directorate shall prepare a report on its role and responsibilities and the actions it has taken to discharge those responsibilities for inclusion in the annual report. The Directorate shall annually review its own effectiveness and recommend any necessary changes to the Minister for Health.

4 Specific Roles within the Directorate

i. Chairperson
In accordance with the Health Services Executive (Governance) Act 2013 the Director General is the Chairperson of the Directorate.

The Chairperson oversees the orderly operation of the Directorate and ensures that there is appropriate interaction between the Directorate and the Minister for Health. The Directorate also holds regular meeting with the Department of Health’s Management Advisory Committee and the Ministers at the Department of Health.

The Director General is accountable to the Minister on behalf of the Directorate for the performance by the Directorate of its functions and those of the Executive.

ii. Appointment of Director General (and Performance of Function when absent)
The Director General is appointed by the Minister in accordance with Section 16E of the Health Service Executive (Governance) Act 2013 and the person is to be recruited in accordance with the Public Service Management (Recruitment and Appointments) Act 2004.

If the Director General is absent the functions of the Director General may be performed by such appointed director as may be designated by the Director General from time to time, with the consent of the Minister. In the event such an appointment is made that person carries the same authority as the Director General. Where the Director General resumes duty the person designated shall cease to perform the functions of the Director General. Where no such designation has been made, and the Director General is unable by reason of his or her ill health to make such a delegation, the delegation of an appointed director will be done by the Minister.

Where the office of Director General is vacant the functions of the Director General may be performed by such appointed director designated by the Minister.

iii. General Functions of the Director General
In addition to the function as a member of the Directorate and as the Chairperson of the Directorate, the Director General’s role is to manage the day to day operational issues on behalf of the Directorate. In accordance with section 16G of the Health Act 2004, the Director General operates, manages and controls generally the administration and business of the HSE and performs any functions delegated by the Directorate and performs functions assigned to the post under legislation.

As head of the HSE, the Director General is accountable to the Directorate for the performance of this function.

Additionally the Health Service Executive (Financial Matters) Act 2014 gives the Director General the statutory responsibility to ensure that the HSE operates within its budget, both in respect of capital and non-capital expenditure. It also obliges the Director General to notify the Minister if actions being undertaken by the Executive are likely to lead to it breaching its financial limits.

The Director General is the Accounting Officer for the HSE for the period ending 31 December 2014. The Vote of the HSE was disestablished on 1 January 2015, in accordance with the provisions of the Health Service Executive (Financial Matters) Act, 2014. The legislation provides that the Director General is accountable to the Committee of Public Accounts in respect of the HSE’s annual financial statements and any other reports made by the Comptroller and Auditor General.
In addition to the above the Director General is responsible for the following:

- development and implementation of the corporate plan, service plan and capital plan;
- put in place, and sustain, a unified management structure to manage the work of the organisation;
- agree individual plans including performance targets with his/her national management team;
- delegate authority and accountability to his/her management team for operational matters;
- monitor performance and hold his/her management team accountable;
- ensure that the Directorate has timely and accurate information to fulfil the statutory objectives and functions of the HSE;
- ensure that the Directorate has timely and accurate information on the performance of management;
- ensure that the Directorate has sufficient information on risk identification, measurement and mitigation strategies for the HSE;
- ensure that the Directorate is assured in relation to the quality and safety of services provided through access to timely and accurate information.
- ensure economy and efficiency in the use of resources;
- ensure systems, procedures and practices of the HSE are in place for evaluating the effectiveness of its operations;
- appear before the Oireachtas Committees when duly requested; and,
- put in place procedures to allow the Directorate to meet its accountability to Government and the Minister for Health.

The Director General will inform the Chairpersons of the Audit and Risk Committees in a timely manner of any material breeches of internal controls.

The performance of the functions delegated by the Directorate to the Director General should be undertaken in accordance with the following:

1. All relevant policies, protocols, directions, circulars, and guidelines or documents of a similar nature specified by the Directorate or that issued or may issue from time to time by the HSE or any Government Department.
2. The approved Code of Governance of the HSE
3. The provisions of the Executive’s Corporate Plan for the time being in force.
4. The general provisions of the approved annual National Service Plan for the period
5. The ongoing requirement for legal authority and efficiency in relation to all decisions.
6. The Ethics in Public Office Act, 1995, and the Standards in Public Office Act, 2001, as may be amended from time to time, together with all regulations made on foot of such legislation and all ancillary and related guidelines, codes and circulars relating to Ethics in Public Office.
7. All other relevant legislation.
8. The EU Procurement Regulations for the time being in force.
9. The Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector (Department of Finance, 2005), as amended or replaced from time to time.
10. The statutory requirement 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.

iv. Secretary

The Secretary is a Directorate appointment. The role of the Secretary is to advise and guide members on their obligations under appropriate legislation and regulations, to act as the corporate governance officer and to organise and administer Directorate meetings.
The holder should be fully familiar with the Health Acts 1970-2015 and the particular requirements of parliamentary accountability including the Oireachtas Committees and the Public Accounts Committee, general Government accounting conventions and general public service conventions.

Specifically the Secretary must:

- Be responsible for the care and use of the seal of the HSE in accordance with Section 1 of Schedule 2 of the Health Act 2004.
- Ensure that all statutory books are maintained and statutory reporting is carried out.
- Maintain appropriate registers and reporting mechanisms as are required to comply with the reporting of interests of Directorate members as “Designated Directors” under the Ethics in Public Office Acts 1995 to 2001.
- Bring to the attention of Directorate members:
  - Legal and other changes that affect their duties and responsibilities
  - Material changes to corporate governance standards and best practice – with suitable recommendations for change, if appropriate
  - Recommendations on suitable training opportunities that may benefit members
- Organise and administer Directorate meetings:
  - Properly notify members in advance
  - Prepare, following consultation with the Chairperson the agenda and collate supporting papers
  - Prepare minutes that note the sense of the meeting, set out action points with assigned responsibilities and note the unresolved matters to be brought forward to subsequent Directorate agendas until resolved.

All members will have direct access to the Secretary in relation to Directorate business.

5 Committees of the Directorate

The Directorate may, from time to time, establish such Committees of the Directorate as are necessary to assist it in the performance of its duties. These Committees are established under the authority of Section 16M of the Health Act 2004, except for the Audit Committee which is established in accordance with Section 40H of the Health Act 2004. Committees may include members who are not members of the Directorate if specialist skills are required, provided their appointment is approved, in advance, by the Director General in his role as Chairperson of the Directorate.

Where a Committee is established:

- The terms of reference shall be specified in writing and approved by the Directorate and reviewed annually
- The Directorate, on the nomination of the Chairperson, shall appoint its members
- The Directorate shall receive regular reports from the Committee
- All protocols concerning the operation of the Directorate shall be applied to the Committee
- Minutes of the Committee meetings shall be circulated to all Directorate members.

Attendance at Directorate Committees by key HSE employees will be necessary in order for the Committee members to be fully briefed on their area of responsibilities. The Committee Chairperson shall advise the Director General in advance of required attendees and it is the Director General’s responsibility to ensure their attendance. In some cases it is likely that key employees will be required to attend certain Committees on an ongoing basis (e.g. Director General, Deputy Director General, Chief Financial Officer, National Director of Internal Audit and National Director Quality Assurance and Verification).
i. Audit Committee

In accordance with Section 40H or the Health Service Executive (Governance) Act 2013 the Directorate is required to establish an Audit Committee. The terms of reference of this committee are set out in a related document entitled “Audit Committee Charter”. In accordance with Section 40H the Audit Committee consists of one of the appointed Directors and not fewer than 4 other persons who, in the opinion of the Directorate, have the relevant skills and experience to perform the functions of the committee at least one of whom shall hold a professional qualification in accountancy or auditing and who are not employees of the HSE. The term of a person’s membership of the audit committee are determined by the Directorate when appointing that person (see Appendix 1 for the Charter of the Audit Committee).

ii. Risk Committee

The Directorate has established a Risk Committee. The terms of reference of this committee are set out in a related document entitled “Risk Committee Charter”. In accordance with best practice the Chairperson of the Directorate is not the chair or a member of the Risk Committee. At least one member of the Risk Committee shall have relevant organisational/clinical experience (see Appendix 2 for the Charter of the Risk Committee).

iii. Other Committees

The Directorate may establish other committees as it requires in support of the achievement of its objectives and functions.

6 Code of Standards and Behaviour for Directorate Members

It is the individual and collective responsibility of Directorate members to set the right tone at the top of the HSE that clearly and unambiguously portrays a culture and ethos for the organisation in keeping with its responsibility to improve, promote and protect the health and welfare of the public.

The Directorate must at all times:

- Place the service user at the centre of everything that the HSE does and ensure that methods and structures are in place to ensure the delivery of integrated health and personal social services.
- Recognise that staff are the HSE’s biggest asset and consequently invest in their knowledge, skills and abilities to build success and create value and promote their health and wellbeing.
- Observe the highest standards of propriety in relation to the stewardship of public funds and the management of the HSE.
- Maximise value for money through ensuring that services are delivered in the most economical, efficient and effective way, within available resources and with independent validation of performance achieved wherever practicable. Value for money is not the lowest price: it is the optimum combination of whole life costs and quality to meet the user’s requirements.
- Be accountable to the Minister for Health, for its stewardship of public funds and the extent to which key performance targets have been met, have regard to the policies and objectives of the Government or any Minister of the Government to the extent that these policies and objectives may affect or relate to the functions of the Executive.
- Keep the Minister apprised of significant issues at an early date, in particular as set out in the Health (Amendment) Act 2010

In accordance with best practice corporate governance standards, comply fully with the Department of Finance Code of Practice for the Governance of State Bodies (2009) and with other models of best practice, where relevant and available to fully discharge its administrative role.

Members should respect the highest standards of honesty and integrity. Directorate members are required to adhere to the principles that are contained in the Code of Standards and Behaviour for Directorate Members set out below.
i. Integrity
Directorate members should:

- Not participate in discussions or decisions involving conflicts of interest whether or not such conflicts have previously been disclosed. Members must declare any conflicts of interest and stand back from decisions where such conflict arises. Directorate members shall provide all relevant information necessary to the Directorate to allow it to assess their independence. Each member has a responsibility to advise the Directorate if their circumstances change such that their independence is affected. Detailed guidance on disclosure of members’ interests is set out in Section 4 of this document.
- Annually complete and submit to the Secretary a compliance statement in relation to the code of standards and behaviour for Directorate members.
- Submit annually a declaration of interests statement in accordance with the Ethics Acts 1995 to 2001.
- Avoid giving or receiving corporate gifts, hospitality, preferential treatment or benefits which might affect or appear to affect the ability of the donor or the recipient to make independent judgement on business transactions.
- Avoid the use of the HSE resources or time for personal gain or for the benefit of persons/organisations unconnected with HSE or its activities.
- Not acquire information or business secrets by improper means.
- Not use any information obtained by virtue of their position for the purpose of any dealing (direct or indirect) in shares, property or otherwise.

ii. Information
Directorate members should:

- Support the provision of access by the HSE to general information relating to the HSE’s activities in a way that is open and that enhances its accountability to the general public.
- Respect the confidentiality of sensitive information held by the HSE. This would constitute material such as:
  - commercially sensitive information (including but not limited to future plans or details of major organisational or other changes such as restructuring)
  - personal information
  - information received in confidence by the HSE
  - observe appropriate prior consultation procedures with third parties where, exceptionally, it is proposed to release sensitive information in the public interest
- Comply with relevant statutory provisions relating to access to information (e.g. Data Protection Acts and Freedom of Information Acts)

Queries in relation to the release of information relating to the Directorate under the provisions of the Freedom of Information Act will be dealt with by the Secretary.

iii. Confidentiality
Directorate members should ensure that they maintain the confidentiality of all information obtained by virtue of their position.

iv. Obligations
Directorate members should:

- Fulfil all regulatory and statutory obligations imposed on the HSE.
- Ensure that there are adequate controls in place to prevent fraud.
- Use all reasonable endeavours to ensure that they attend the HSE Directorate and/or Directorate Committee meetings (as applicable).
v. Loyalty
Directorate members should:
- Be loyal to the HSE and be fully committed in all its business activities while mindful that the organisation itself must at all times take into account the interests of its stakeholders and
- Acknowledge the duty of all to conform to the highest standards of business ethics.

vi. Fairness
Directorate members should:
- Comply with employment equality and equal status legislation.
- Commit to fairness in all business dealings.
- Value stakeholders and treat all stakeholders fairly.

vii. Work/External Environment
Directorate members should:
- Promote and preserve the health and safety of employees.
- Ensure that community concerns are fully considered.
- Minimise any detrimental impact of the operations on the environment.

7 Disclosure of Interests by Directorate Members

In addition to the requirements under the Ethics in Public Office Act 1995 and the Standards in Public Office Act 2001 the following procedures should be observed:

i) **Director’s Interests:** On appointment, each Directorate member should furnish to the Secretary details relating to his/her employment and all other business or professional interests including shareholdings, directorships, professional relationships etc., that could involve a conflict of interest or could materially influence the member in relation to the performance of his/her functions as a member of the Directorate.

ii) **Connected Person/Body:** Any interests of a member’s family of which he/she could be expected to be reasonably aware or a person or Body connected with the member which could involve a conflict of interest or could materially influence the member in the performance of his/her functions should also be disclosed. For this purpose, persons and Bodies connected with a member should include:
   - a spouse, civil partner, parent, brother, sister, child or step-child;
   - a Body corporate with which the member is associated;
   - a person acting as the trustee of any trust, the beneficiaries of which include the member or the persons at (a) above or the Body corporate at (b) above; and
   - a person acting as a partner of the member or of any person or Body who, by virtue of (a)-(c) above, is connected with the member.

Similarly, each member should furnish to the Secretary details of business interests on the lines above of which he/she becomes aware during the course of his/her directorship.

iii) Where it is relevant to any matter which arises for the Executive, the member should be required to indicate to the Secretary the employment and any other business interests of all persons connected with him/her, as defined at (i) and (ii).

iv) **Minor Shareholdings:** The Directorate may exercise discretion regarding the disclosure by members of minor shareholdings. As a general guideline, shareholdings valued at more than €15,000 or of more than 5 per cent of the issued capital of a company should be disclosed.
v) **Doubt**: If a member has a doubt as to whether this Code requires the disclosure of an interest of his/her own or of a connected person, that member should consult the Chairperson/Secretary.

vi) **Confidential Register**: Details of interests disclosed should be kept by the Secretary in a special confidential register and should be updated on an annual basis. Changes in the interim should be notified to the Secretary as soon as possible by members. Only the Chairperson and Secretary should have access to the register.

vii) **Chairperson’s Interests**: Where a matter relating to the interests of the Chairperson arises, he/she should depute the Deputy Chairperson or another Director to chair the Directorate meeting and should absent himself/herself when the Directorate is deliberating or deciding on a matter in which the Chairperson or a person or Body connected with the Chairperson has an interest.

viii) **Documents Withheld**: Documents on any deliberations regarding interests should not be made available to the member concerned prior to a decision being taken. (Such documents should be taken to include those relating to cases involving competitors to this Directorate member to the above interests). Decisions once taken should be notified to the member.

ix) **Early Return of Documents**: As it is recognised that the interests of a Director and persons connected with him/her can change at short notice, a Director should, in cases where he/she receives documents relating to his/her interests or of those connected with him/her, return the documents to the Secretary at the earliest opportunity.

x) **Absent**: A Director should absent himself/herself when the Directorate is deliberating or deciding on matters in which that member (other than in his/her capacity as a member of the Directorate) or a person or Body connected with the member has an interest. In such cases a separate record (to which the Director would not have access) should be maintained.

xi) **Uncertainty**: Where a question arises as to whether or not a case relates to the interests of a Director or a person or Body connected with that Director, the Chairperson of the Directorate should determine the question.

xii) **Former Directors**: Former Directors should treat commercial information received while acting in that capacity as confidential.

xiii) **Document Retention**: Directors should not retain documentation obtained during their terms as Director and should return such documentation to the Secretary or otherwise indicate to the Secretary that all such documentation in their possession has been disposed of in an appropriate manner. In the event that former Directors require access to Directorate papers from the time of their term on the Directorate, this can be facilitated by the Secretary.
Appendix 1 Charter of the Health Service Executive Audit Committee

1.0 Introduction
This document sets out the Charter and terms of reference of the Audit Committee as prescribed in legislation and as agreed between the Director General and the Directorate of the Health Service Executive.

The Charter will be reviewed annually by the Health Service Executive Audit Committee in consultation with the Director General.

2.0 Establishment of the Health Service Executive Audit Committee
The Audit Committee is established and maintained in accordance with Sections 40H and (I) of the Health Act 2004.

3.0 Authority
The Committee is authorised by the HSE Directorate to:

- investigate any activity within the terms of reference set out in this document;
- seek any information or explanations that it requires from any employee of the HSE or agency totally or partially funded by the HSE and all employees and agencies funded are directed to cooperate with any request made by the Committee;
- following agreement with the Director General, obtain independent legal or other independent professional advice, at the HSE’s expense and in accordance with the HSE’s procurement policy, and secure the attendance of persons with relevant experience and expertise at the Audit Committee meeting if it considers this necessary; and
- investigate any matter it deems relevant brought to its attention by whomsoever, including, but not limited to, good faith reports in relation to financial matters.

4.0 Scope
The scope of the Committee’s authority extends to:

1. the HSE and anything it directly controls;
2. agencies totally or partially funded by the HSE; and
3. public monies held in trust by any of the above.

5.0 Duties
The Audit Committee’s duties, as set out in Section 40I(3) of the Health Act 2004 require the Committee to advise both the Director General and the Directorate on financial matters relating to their functions.

More specifically, the statutes require the Committee to advise on financial matters relating to:

(a) the proper implementation by the HSE of Government guidelines on financial issues;

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5 As inserted by section 17 of the Health Service Executive (Governance) Act, 2013 and amended by section 14 of the Health Service Executive (Financial Matters) Act 2014

6 As inserted by section 17 of the Health Service Executive (Governance) Act, 2013 and amended by section 14 of the Health Service Executive (Financial Matters) Act 2014
(b) compliance by the HSE with:

(i) its obligations (under Section 33\(^7\)) to manage the services set out in an approved service plan so that the services are delivered in accordance with the plan and so that the net non-capital expenditure incurred does not exceed the amount specified in the government’s Letter of Determination; and

(ii) its obligation (under Section 33B\(^8\)) to submit an annual capital plan; and

(iii) any other obligations imposed on it by law relating to financial matters;

(c) compliance by the Director General with his obligations (under section 34A\(^9\)) to ensure that the HSE’s net non-capital and capital expenditures do not exceed the amounts allocated by government for a year or part of a year (and to inform the Minister if such allocations might be breached); and

(d) the appropriateness, efficiency and effectiveness of the HSE’s procedures relating to:

(i) public procurement,

(ii) seeking sanction for expenditure and complying with that sanction,

(iii) the acquisition, holding and disposal of assets,

(iv) risk management*,

(v) financial reporting, and

(vi) internal audits

* see Para 6 below regarding non-financial risks

6.0 Role of the HSE Audit Committee

The Audit Committee is not responsible for any executive functions and is not vested with any executive powers. In relation to its duties and functions, it fulfills an advisory role only.

In pursuit of its statutory duties, as set out above, the Audit Committee will emphasise two core roles:

A. Oversight of, and advice on, the HSE’s financial reporting; and

B. Oversight of, and advice on, the HSE’s systems of internal financial control and financial risk management.

In relation to the management of risks other than financial risks, the HSE has allocated responsibility for advising the Directorate and Director General on these matters to the HSE’s Risk Committee.

The Audit Committee will also have a role in promoting good accounting practice, improved and more informed financial decision-making and a focus on regularity, propriety and value for money throughout the HSE.

(More detail on the discharge of these duties is provided on the HSE Code of Governance webpage via the following link: http://www.hse.ie/eng/about/Who/directoratemembers/codeofgovernance/governance.html)

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\(^7\) Section 33 of the Health Act 2004 as amended by section 10 of the Health Service Executive (Financial Matters) Act 2014

\(^8\) Section 33B of the Health Act 2004 as inserted by section 11 of the Health Service Executive (Financial Matters) Act 2014

\(^9\) Section 34A of the Health Act 2004 as inserted by section 12 of the Health Service Executive (Financial Matters) Act 2014
7.0 Internal Audit Division, C&AG and Other Auditors

In fulfilling its role, the Audit Committee will engage extensively with the HSE Internal Audit and Finance Divisions and with the Office of the C&AG and other external audit firms.

In relation to the Audit Committee’s role in respect of systems of internal financial control, the Committee will be required to:

- Oversee and advise on matters relating to the operation and development of the HSE’s Internal Audit division;
- Review and recommend for approval the draft annual Internal Audit Plan;
- Monitor implementation of the Internal Audit Plan throughout the year;
- Review the significant findings and recommendations of Internal Audit and monitor actions taken by management to resolve any issues identified;
- Request special reports from Internal Audit as considered appropriate;
- Advise and make recommendations on any matter pertaining to the Internal Audit function that the Committee considers necessary or appropriate, including its overall effectiveness, organisation, resources, training, use of technology etc; and
- In relation to the Office of the C&AG and any other external auditors, review the annual audit plan, the report on the audit outcome, the audit cert, the management letter and any other comments and recommendations it may make, and monitor management’s responses in relation to any recommendations.

8.0 Independence

The Audit Committee will be independent in the performance of its duties and responsibilities and will not be subject to direction or control from any other party in the exercise of its duties.

Where disagreements between the Committee and either the Directorate or the Director General cannot be resolved, the Committee will report the issue to the Minister for Health and the C&AG.

9.0 Formal Administration Matters

9.1 Membership and Quorum

The Audit Committee will be appointed by the Directorate and will consist of:

(a) one of the members of the HSE Directorate (appointed under section 16A of the Health Act 2004 as inserted by section 7 of the Health Services Executive (Governance) Act 2013),

(b) not fewer than 4 other persons who, in the opinion of the Directorate, have the relevant skills and experience to perform the functions of the committee, at least one of whom will hold a professional qualification in accountancy or auditing.

In accordance with best practice, neither the HSE Directorate Chairman nor the Chief Financial Officer will be a member of the Audit Committee.

Other than the member of the Directorate appointed to the Committee, a person is not eligible for appointment to the Audit Committee if that person is an employee of the Executive.

The Directorate will designate one of the external members (i.e. any member other than the member of the HSE Directorate) to be the chairman of the Audit Committee.

A quorum will consist of three members and, in the absence of the chairman from a meeting of the Committee; an acting chairman will be selected from amongst the external members attending.
The Committee will normally operate on the basis of consensus. In the event of a vote being required on any matter a simple majority of all members present, including the chairman, will carry the motion with the chairman of the meeting having a casting vote in the event of a tie.

The Chairman will provide Committee members as necessary with an appraisal of their performance as Committee members.

The Committee and the Chairman will make recommendations to the Directorate as appropriate on the Committee’s and individual members’ training needs.

9.2 Secretary to the Audit Committee
The Director General will ensure that the Audit Committee is provided with the necessary secretarial and other resources to enable it to perform its functions.

The Director General will provide an officer to be Secretary to the Committee. The Secretary will convene meetings and maintain and circulate minutes.

9.3 Indemnification
The Director General will arrange for each external member of the Audit Committee to receive an indemnification in accordance with the conditions laid out in the appendix to the General Council Report 1357 of the Civil Service, against liabilities which may arise from his or her membership of the Audit Committee.

9.4 Tenure
A member of the Audit Committee will hold office for the period determined by the Directorate when appointing that person.

A member of the Audit Committee may resign from the committee by letter addressed to the Directorate or may at any time be removed as a member of the Committee by the Directorate for stated reasons.

Members of the Audit Committee will hold office on such terms and conditions as determined by the Directorate with the consent of the Minister for Health and the Minister for Public Expenditure and Reform.

9.5 Meetings
The Audit Committee will meet as required, determined at its own discretion, but not less than four times a year (to coincide with key dates in the HSE’s financial reporting cycle).

The National Director of Internal Audit or the C&AG may request a meeting if either consider that one is necessary.

The agenda for each meeting will be finalised by the Chairman of the Audit Committee and circulated with all relevant papers by the Secretary to all members of the Audit Committee (and other attendees, as appropriate) 5 working days in advance of each meeting. Papers provided to the Committee should clearly communicate all relevant information.

No person other than the Audit Committee members will be entitled to attend Audit Committee meetings. The Audit Committee may invite a person who has responsibility within the Health Service Executive for internal audits or for any financial matters or any other person it considers appropriate (whether that person is or is not an employee of the Executive) to attend specific meetings.

All members of the Audit Committee will be expected, whenever possible, to attend its meetings whether by physical attendance, by video conference or by telephone connection so long as this will allow live exchange of views by the members of the Audit Committee.
The National Director of Internal Audit and the Chief Financial Officer will normally be expected to attend meetings, and such other officials from the Health Service Executive as the Audit Committee may require will also attend from time to time. The Committee will meet separately with the National Director of Internal Audit at least once a year.

A representative of the Comptroller and Auditor General may be invited to attend any meeting of the Audit Committee, if the Audit Committee considers this necessary, and will be invited at least once a year to meet separately with the Committee.

The Chairman or Secretary of the Committee will ensure that members who have missed a meeting are appropriately briefed on the business conducted in their absence.

9.6 Minutes
The Secretary will circulate draft minutes of meetings of the Audit Committee to members as soon as possible after each meeting and, when approved by the Audit Committee, the minutes will be circulated to the Directorate and to the Director General and made available to the Comptroller & Auditor General.

9.7 Key Performance Indicators
In the early part of each year the Committee will prepare a set of key performance indicators and measures for itself and for Internal Audit for the forthcoming year.

10.0 Access
The Chairman of the Audit Committee or any member, acting with the authority of the Chairman, will have the right of access to the Director General and any senior personnel of the Health Service Executive.

The Chairman of the Audit Committee, and any member acting with the authority of the Chairman, will have the right of access to the National Director of Internal Audit and the Chief Financial Officer on any matter relating to the business of the Audit Committee.

11.0 Reporting
The Audit Committee will provide its advice to the Directorate and Director General principally by way of its minutes.

The Chairman of the Audit Committee may be invited to attend meetings of the Directorate, or meetings with the Director General, in order to report in relation to the matters under the Committee’s remit.

The Audit Committee will communicate with the Director General and Directorate as appropriate in relation to any significant shortfalls in the business control and compliance and/or risk management environments that come to the attention of, and are of concern to the Audit Committee.

In accordance with statute, the Audit Committee will report in writing at least once a year to the Director General and the Directorate on financial matters relating to their functions and on the Committee’s activities in the previous year, providing a copy of that report to the Minister.

At the end of each year the Committee will also prepare a report on its role and responsibilities, and the actions it has taken to discharge those responsibilities, for inclusion in the annual report. Such a report should specifically include:

- a summary of the role of the Audit Committee;
- its performance against key performance indicators set for the year;
- the names and qualifications of all members of the Committee during the period;
- the number of Committee meetings and attendance by each member; and
- the way the Committee has discharged its responsibilities.
12.0 Functions of the Director General in relation to the Audit Committee

The Director General will ensure that the Audit Committee is provided with all of the Executive’s internal and external audit reports, internal and external audit plans and (at its request) the HSE’s monthly reports on expenditure.

The Director General will report to the Audit Committee as soon as practicable where he or she has reason to suspect that any material misappropriation of the HSE’s money, or any fraudulent conversion or misapplication of its property, may have taken place.

The Director General will ensure that the Audit Committee is provided at its request with information on any financial matter or procedure necessary for performing its functions, including details relating to:

- any contract that the HSE proposes to enter into and that involves the expenditure of more than an amount in excess of a threshold specified by the Audit Committee; and
- any legal action taken or threatened against the Executive that may give rise to a potential financial liability

13.0 Liaison with the Risk Committee

The Audit Committee and the Risk Committee will both have an involvement in advising on risk management and internal controls. Whereas the Audit Committee’s primary focus will be on financial issues and that of the Risk Committee will be on non-financial issues, the Committee Chairmen will meet, as often as is necessary, to ensure that:

- the HSE’s overall approach to risk management and internal control is comprehensively advised on;
- work programmes of the two Committees are co-ordinated; and
- duplication of effort is avoided.

Minutes of every meeting of each Committee will be circulated to the other Committee on a timely basis.

In the event of a matter arising where it is not possible for the Chairmen to agree into which Committee’s remit the matter falls to be dealt with, the Chairman of the Directorate will assign the matter to one of the Committees.

Guidance on Oversight and Advisory Roles of the Audit Committee

1. Financial Reporting

The Audit Committee will review and question, where necessary, the actions and judgements of management of the Health Service Executive in relation to the Appropriation Accounts and the Annual Financial Statements and any other related financial statements, before submission to and final approval by the Director General or the Directorate and before clearance by the C&AG. (Section 36 of the Health Act 2004 outlines the procedures for adoption of Annual Financial Statements).

Particular attention should be paid to:

- Critical accounting policies and practices and any changes in those policies;
- Financial reporting decisions requiring a significant element of judgement;
- The extent to which the Appropriation Accounts and the Annual Financial Statements are affected by any unusual transactions in the year and how they are disclosed;
- Clarity of disclosure;
1. Corporate Governance and Corporate Care

- Compliance with relevant accounting standards and practices;
- Compliance with other legal requirements;
- Any other topics as requested by the Director General or the Directorate

2. Internal Financial Control and Financial Risk Management

- to ensure that executive management maintains and promotes a control culture that enables compliance with best practice in corporate governance;
- to review the HSE’s procedures for detecting fraud and good faith reporting relating to fraud, corruption and waste and ensure that arrangements are in place by which employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control, taxation, Value-for-Money, waste, corruption or any other matters;
- to receive reports, on a timely basis, of concerns raised under the Policy on Good Faith Reporting relating to fraud, corruption and waste or Protected Disclosures of Information in the Workplace Policy and ensure that appropriate action is taken in order to maintain the highest standards of probity and honesty throughout the health services;
- to periodically review and, if necessary, propose changes to the HSE’s Code of Standards and Behaviour; Policy on Fraud and Policy on Good Faith Reporting;
- to review reports, at least annually, produced by management and the Internal Audit and Quality and Risk functions on the effectiveness of the systems for internal financial control, financial reporting and financial risk management;
- to review reports, at least annually, produced by management and Internal Audit on the effectiveness of Value for Money management;
- to assess the scope and effectiveness of the systems established by management to identify, assess, manage and monitor financial and related risks.
- to review the Statement on Internal Financial Control in the annual report and accounts on the HSE’s internal controls and risk management framework; as required under the Code of Practice for the Governance of State Bodies, report its outcome to the Directorate and make appropriate recommendations.

3. Internal Audit

- to review and monitor the adequacy of the annual internal audit programme and ensure that the internal audit function is adequately resourced and has appropriate standing within the HSE;
- to ensure that internal audit has due regard for value for money in its audits;
- to ensure that the National Director of Internal Audit has direct access to the Directorate Chairman and the Audit Committee and is accountable to the Audit Committee;
- to receive a report on the results of the National Director of Internal Audit’s work on a periodic basis;
- to receive other reports (internal or external) on any topic(s) that the Audit Committee considers relevant to its work;
- to review and monitor management’s responsiveness to internal audit’s findings and recommendations;
- to monitor and assess the role and effectiveness of the internal audit function
- to make recommendations to the Directorate for the appointment or termination of the National Director of Internal Audit.
4. External Audit

External audit is carried out by both the C&AG and external Audit Firms. The Chief Financial Officer under the Committee’s supervision is responsible for maintaining a register of who carries out the external audit of all agencies under the scope of the Committee as set out in Section 4.2 below.

The Audit Committee will ensure that the external auditors receive copies of the Code of Practice and are promptly notified of any changes made to same.

The Audit Committee will review on an annual basis the planned scope of audit work done by the C&AG’s Office, other external auditors and internal audit with a view to maximising the efficiency and effectiveness of the audit process. This does not, in any way, restrict the statutory right of the C&AG to pursue any matter as he/she sees fit.

4.1 External Audits Carried Out by the C & AG

The Audit Committee will, in relation to external audit carried out by the C&AG:

- oversee the HSE’s relations with the C&AG;
- review the terms of engagement in respect of audit services provided;
- discuss with the C&AG the staffing of the annual audit;
- discuss with the C&AG, before the audit commences, the nature and scope of the audit, including the nature of Value for Money auditing;
- review with the C&AG, the findings of their work, including any major issues that arose during the course of the audit which have subsequently been resolved and those issues that have been left unresolved; key accounting and audit assumptions underlying the audit; levels of errors identified during the audit, obtaining explanations from management and, where necessary other external auditors, as to why certain errors might remain unadjusted;
- review the audit representation letters before consideration by the Directorate, giving particular consideration to matters that relate to non-standard issues;
- assess, at the end of the audit cycle, the level of assurance provided to the HSE Directorate by the C&AG audit process;
- review and monitor the content of the C&AG’s management letter, in order to assess whether it is based on a good understanding of the HSE’s role and establish whether recommendations have been acted upon and, if not, the reasons why they have not been acted upon;
- evaluate the cooperation received by the C&AG, including access to records, data and information;
- obtain feedback about the conduct of the audit from key personnel involved.

4.2 External Audits Carried Out by Audit Firms

As and when required, the HSE appoints external auditors to audit monies other than public monies (e.g. Patient Private Property accounts) and the Audit Committee will:

- oversee the HSE’s relations with the external auditor;
- consider, and make recommendations on the appointment, reappointment and removal of the external auditor;
- approve the terms of engagement and the remuneration to be paid to the external auditor in respect of audit services provided;
- assess the qualification, expertise, resources, effectiveness and independence of the external auditors annually by:
  - seeking reassurance that the auditors and their employees have no family, financial, employment, investment or business relationship with the HSE (other than in the normal course of business);
  - seeking from the audit firm, on an annual basis, information about policies and processes for maintaining independence and monitoring compliance with relevant requirements, including current requirements regarding the rotation of audit partners and employees;
monitoring the external audit firm’s compliance with applicable ethical guidance relating to the rotation of audit partners, the level of fees that the company pays in proportion to the overall fee income of the firm, office and partner and other related regulatory requirements;

discuss with the external auditor, before the audit commences, the nature and scope of the audit, including the nature of Value for Money auditing expected by the Audit Committee;

review with the external auditors, the findings of their work, including, any major issues that arose during the course of the audit and have subsequently been resolved and those issues that have been left unresolved; key accounting and audit judgements; levels of errors identified during the audit, obtaining explanations from management and, where necessary the external auditors, as to why certain errors might remain unadjusted;

review the audit representation letters before consideration by the Directorate, giving particular consideration to matters that relate to non-standard issues; assess, at the end of the audit cycle, the effectiveness of the audit process by:

- reviewing whether the auditor has met the agreed audit plan and understanding the reasons for any changes to the audit plan, including changes in perceived audit risks and the work undertaken by the external auditors to address those risks;
- consideration of the robustness and perceptiveness of the auditors in their handling of the key accounting and audit judgements identified and in responding to questions from the Audit Committee, and in their commentary, where appropriate, on the systems of internal control;

obtain feedback about the conduct of the audit from key people involved;

review and monitor the content of the external auditor’s management letter and establish whether recommendations have been acted upon and, if not, the reasons why they have not been acted upon;

develop and recommend to the Directorate the HSE’s policy in relation to the provision of non-audit services by the auditor and ensure that the provision of such services does not impair the external auditor’s independence or objectivity. In doing so, the Audit Committee should;

- consider whether the skills and experience of the audit firm make it a suitable supplier of the non audit services;
- consider whether there are safeguards in place to ensure that there is no threat to objectivity and independence in the conduct of the audit resulting from the provision of such services by the external auditor;
- consider the nature of the non-audit services, the related fee levels, and the fee levels individually and in aggregate relative to the audit fee;
- consider the criteria that govern the compensation of the individuals performing the audit; and
- set and apply a formal policy specifying the types of non-audit work: from which the external auditors are excluded; for which the external auditors can be engaged without referral to the Audit Committee; and for which a case-by-case decision is necessary.

Charter of the Audit Committee – Appendix A

Internal Audit Division

1. Preamble

These terms of reference are based on the Institute of Internal Auditors, guidelines and endeavours to follow best practice. It is the policy of the HSE to support a strong, appropriately resourced internal audit function and to act promptly on implementing audit recommendations. Internal Audit will maintain its own operating procedures.
2. Terms of Reference for the Internal Audit Division

2.1 Mission

The role of internal audit is:

“to provide an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes” (The Institute of Internal Auditors).

2.3 Objectives of Internal Audit

- To provide assurance on the adequacy of control within the HSE’s internal control systems and activities: that is, to comment on and recommend changes to the systems and activities; to follow up the implementation of agreed actions; and to bring deficiencies therein to the notice of the operating management and ultimately the Audit Committee.
- To facilitate the HSE in the corporate governance reporting process.
- To carry out such audit, investigation and review work as may be requested by the Audit Committee.
- To liaise with the Comptroller & Auditor General (C&AG) and external auditors to ensure that efficient and effective audit coverage is achieved.
- To review and advise management on cost effective controls for new systems and activities.
- To highlight opportunities to reduce costs through greater economy and efficiency within systems and activities.
- To carry out a programme of Value for Money (VFM) audits as appropriate.

2.4 Scope of work

Audit work will cover all systems and activities in all departments and locations throughout the HSE, both currently existing and under development and bodies totally or partially funded by the HSE and public monies held in trust by HSE or bodies totally or partially funded by the HSE. Work will be prioritised according to risk, the judgement of the National Director of Internal Audit, requests from senior management and the direction of the Audit Committee. Audits may range from compliance work (including compliance with procurement and disposal procedures) to operational auditing reviews as appropriate.

2.5 Independence

The National Director of Internal Audit has an administrative reporting relationship to the CEO and a functional reporting relationship to the Audit Committee.

The National Director of Internal Audit reports directly to the Chairperson of the Audit Committee and shall have right of direct access to the Director General of the HSE. The Internal Audit function will have no executive or managerial responsibilities except those relating to the internal audit function and has no authority over, or responsibility for, the activities audited.

Members of management shall not amend internal audit reports nor cause them to be amended before they are presented to the Chairperson of the Audit Committee. Management will be afforded the opportunity of responding to audit findings.

2.6 Access

Internal Audit shall have free and unfettered access to all management information needed to carry out its work. A holder of highly confidential or sensitive information is entitled to allow access to the National Director of Internal Audit alone.

Internal Audit shall have full right of access to all Appointed Directors (including the CEO), employees, contractors, suppliers, customers, and external auditors all of whom will be required to co-operate fully with the Internal Audit function.
3. **National Director of Internal Audit**

3.1 **General Summary**

The National Director of Internal Audit will manage and direct in an efficient manner, the activities of the internal audit function. Those activities are concerned with independent internal audits of the HSE and audits of company vendors, contractors, licensees, and others as required. The work of the National Director of Internal Audit is conducted independently within established HSE policies and procedures and within professional guidelines for internal auditing and financial and management accounting.

3.2 **Principal Duties and Responsibilities**

- Determines, plans, and supervises the work of auditing professionals and other employees in the performance of internal audits and regularly reports to the Audit Committee on the outcomes of this work.
- Confers with HSE management and the Audit Committee of the Directorate on policies, programmes, and activities of the Internal Audit Department; makes recommendations regarding specific areas of responsibility.
- Develops and updates audit programs and checklists; plans and monitors audit work schedules; develops and recommends implementation of forms, systems, and procedures to carry out responsibilities and accomplish goals of the Internal Audit Department.
- Ensures that any accounting standards specified by the Minister are met and audit principles and policies are followed, and evaluates the adequacy and effectiveness of internal accounting procedures and operating systems and controls.
- Meets with HSE management at all levels and the Audit Committee of the Directorate, as necessary, to discuss audit plans and results and make recommendations to resolve audit findings requiring corrective action.
- Plans, supervises, reviews, and participates in the training of Internal Audit Department personnel.
- Performs special audit-related projects as assigned. Directs the preparation of the Department’s budget requests.
- Performs other duties as assigned.
- Agrees and periodically updates an Internal Audit Charter in consultation with the Audit Committee.
Appendix 2 Charter of the Health Service Executive Risk Committee

1.0 Introduction
This document sets out the Charter and Terms of Reference of the HSE Risk Committee (“the Committee”) established in accordance with Section 16M of the Health Act 2004 (as inserted by the Health Service Executive (Governance) Act 2013).
It should be read in conjunction with the HSE Code of Governance (August 2011).

2.0 Authority
The Committee is authorised by the HSE Directorate (“the Directorate”) to:
- examine any activity within the terms of reference set out in this document;
- seek any information or explanations that it requires from any employee of the HSE or any body totally or partially funded by the HSE and all employees and bodies funded are directed to co-operate with any request made by the Risk Committee;
- following agreement with the Director General, obtain independent legal or other independent professional advice, at the HSE’s expense and in accordance with the HSE’s procurement policy; and,
- request an investigation of any matter it deems relevant, brought to its attention, including, but not limited to, good faith reports in relation to quality, safety and risk.

3.0 Scope
The scope of the Committee’s duties covers the following:
- the HSE and anything it directly controls, and,
- bodies totally or partially funded by the HSE.

4.0 Advisory Role
The Committee is not responsible for any executive functions and is not vested with any executive powers but will exercise an advisory role only in relation to its duties.

5.0 Duties
The Committee will focus principally on non-financial matters, especially, the examination of:
- processes related to the identification, measurement, assessment and management of risk in the HSE;
- how a risk management culture is promoted throughout the health system.
In particular, it will:
- Advise the Directorate on the robustness and comprehensiveness of the Health Service’s approach and processes for:
  a) describing and communicating the risk accountability framework

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10 The Committee will focus principally on the following risk types: service provision and both clinical and general risk issues including but not limited to the following: Strategic; Operational; Safety of staff and others (incl. resourcing, IR etc.); Infrastructural (plant/equipment, property/estates); ICT; Environmental; Compliance with statutory requirements; Reputational; Compliance and legal; Business continuity etc.

11 The HSE Integrated Risk Management Policy is available on the HSE website (www.hse.ie/eng/about/Who/qualityandpatientsafety/resourcesintelligence/Quality_and_Patient_Safety_Documents/riskmgmt.pdf)
b) identifying risks  
c) reporting and escalating risks  
d) putting in place processes and actions to mitigate risk  
e) managing and reviewing risk registers  
f) responding to and implementing changes and recommendations following risk reviews or findings of the Risk Committee, Healthcare audit function, or other internal or external reviews.

- Advise the Directorate on risk management in the context of healthcare reform and phased transition to new healthcare structures and services;  
- review arrangements in place by which employees may, in confidence, raise concerns and receive reports, on a timely basis, of concerns raised under the Policy on Good Faith Reporting, or Procedures on Protected Disclosures of Information and advise on appropriate action to maintain the highest standards of probity and honesty throughout the health services;  
- review the quarterly reports by the HSE’s Confidential Recipient prepared for the Director General and Directorate and provide advice to the Directorate as appropriate.  
- review, at least annually, and if necessary propose changes to, the HSE’s Governance Framework relating to risk management;  

and, in relation to first line of defence:  

- keep under continuing review HSE’s procedures for identifying and reporting risks, especially in relation to:  
  - Serious Reportable Events,  
  - emerging risks,  
  - healthcare-sector-wide risks;  
- review and advise the Directorate on all HSE Divisional risk management plans and on the HSE corporate risk register;  
- advise executive management about the maintenance and promotion of a culture that enables integrated management of all risks;  
- review material risk incidents (major/extreme risks) and provide feedback on management’s actions;  
- review and monitor management’s responsiveness to findings and recommendations from the Quality Assurance and Verification Division;  
- Review the implementation on a timely basis, of internal recommendations arising from investigations and other incidents/reports internally.  

and, in relation to second line of defence:  

- receive all relevant internal Audit reports from the National Director Quality Assurance and Verification and review the effectiveness of Management’s response to their findings;  
- receive regularly the reports of the National Director of Quality Assurance and Verification on the effectiveness of the systems established by management to identify, assess, manage, monitor and report on risks;  

and, in relation to the third line of defence:  

- review assurance provided by internal and external audit in relation to risk management and advise the Directorate accordingly; and,  
- oversee periodic external review of the effectiveness of the risk management framework.  

6.0 Independence  
The Committee will be independent in the performance of its duties and will not be subject to direction or control from any other party in the exercise of its duties.
7.0 Membership and Quorum

The Directorate, on the nomination of the HSE Directorate Chairperson, will appoint members of the Committee.

The Committee will consist of:

- one of the members of the Directorate (appointed under section 16A of the Health Act 2004 as inserted by section 7 of the Health Services Executive (Governance) Act 2013), and,
- not fewer than 4 other persons who, in the opinion of the Directorate, have the relevant skills and experience to perform the functions of the committee, at least one of whom will be an experienced practitioner of risk management.

Employees of the HSE may be appointed to the Committee by the Directorate, subject to prior approval of the Chairperson, where specialist knowledge and expertise relating to operational aspects of the HSE is required from time to time.

When making appointments, the Directorate will ensure the Committee comprises a majority of non-executive directors.

The Committee will be chaired by an independent non-executive director.

The Directorate Chairperson will not be a member of this Committee.

The Director General will ensure that the Committee is provided with an officer to act as Secretary to the Committee and with other resources to enable it to perform its functions.

A quorum will be three members.

8.0 Tenure

The members of the Committee will hold office for the period determined by the Directorate when appointing that person.

A member of the Committee may resign from the committee by letter addressed to the Directorate or may at any time be removed as a member of the Committee by the Directorate for stated reasons.

Any external members of the Committee will hold office on such terms and conditions as determined by the Directorate, with the consent of the Minister for Health and the Minister for Public Expenditure and Reform.

9.0 Meetings

9.1 Frequency

The Committee will meet as required, determined at its own discretion, but not less than four times a year (to coincide with key dates in the HSE’s reporting cycle). Additional meetings will be held as the work of the Committee demands.

The National Director of Quality Assurance and Verification may request a meeting if he considers that one is necessary.

The Directorate Secretary, or his/her nominee, at the request of the Chairperson of the Committee, will summon meetings of the Committee. Notice will be given to each member of the venue, time and date of the meeting normally one week in advance.

9.2 Agenda

The agenda will be finalised by the Chairperson of the Committee and circulated with appropriate briefing papers by the Secretary to the other members of the Committee (and other attendees, as appropriate) 5 working days in advance of each meeting.
9.3 Attendance

Only members of the Committee will be entitled to attend Committee meetings.

The HSE Directorate Chairperson, other Directorate members, Director General, the National Director of Quality Assurance and Verification, other National Directors, or any other employee will attend meetings at the request of the Committee.

The members of the Committee will meet separately with the National Director of Quality Assurance and Verification at least once a year.

9.4 Minutes

The Secretary will circulate the minutes of meetings of the Committee to all members of the Committee and of the Directorate.

10.0 Access

The Chairperson of the Committee or any member, acting with the authority of the Chairperson, will have the right of access to the Director General and any senior personnel of the Health Service Executive on any matter relating to the business of the Committee.

11.0 Reporting

At the beginning of each year the Committee will prepare a set of key performance indicators and measures for itself and for the HSE’s Quality Assurance and Verification Division for the forthcoming year.

At the end of each year the Committee will prepare a report on its role and responsibilities and the actions it has taken to discharge those responsibilities for inclusion in the annual report. Such a report should specifically include:

- a summary of the role of the Committee;
- its performance against key performance indicators set for the year;
- the names and qualifications of all members of the Committee during the period;
- the number of Committee meetings and attendance by each member; and
- the way the Committee has discharged its responsibilities.

The Chairman of the Committee will attend, on a regular basis, meetings of the Directorate of the HSE, to report in relation to the matters under the Committee’s remit.

12.0 Liaison with the Audit Committee

The Audit Committee and the Risk Committee will both have an involvement in risk management and internal control. Whereas the Audit Committee’s primary focus will be on financial issues and that of the Risk Committee will be on non-financial issues, the Committee Chairpersons will meet, as often as is necessary, to ensure that:

- the HSE’s overall approach to risk management and internal control is comprehensive and co-ordinated,
- work programmes of the two Committees is synchronised, and
- duplication (for example, in relation to investigations) is avoided.

Minutes of these meetings will be circulated to the Audit Committee and Risk Committee members and will be tabled as an agenda item at the next meeting of each Committee.

In the event of a matter arising where it is not possible for the Chairpersons to agree into which Committee’s remit the matter falls to be dealt with, the Chairperson of the Directorate will assign the matter to one of the Committees.