

# Health Service Executive



## Code of Governance

### *Framework for the Corporate and Financial Governance of the Health Service Executive*

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# PART 1 INTRODUCTION

## Chapter 1 Introduction and Overview

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

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

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

This Code should be read as a supplement to existing requirements as set out both in statute – particularly the Health Acts 1947-2008; Ombudsman Act, 1980; Freedom of Information Acts 1997-2003; Ethics in Public Office Act 1995 and the Standards in Public Office Act 2001; Ombudsman for Children Act, 2002 and the Comptroller and Auditor General (Amendment) Act, 1993. This Code is compliant with the requirements of the *Code of Practice for the Governance of State Bodies* (2009), *Public Financial Procedures, the Role and Responsibilities of Accounting Officers* (Mullarkey Report 2003) and *Risk Management Guidance for Government Departments and Offices* (2004).

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

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

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

## HSE Code Of Governance

### 2. Governing Legislation

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

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

### 3. Guiding Principles

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

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

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Good governance will reflect the following key characteristics:

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

### 4. Governance Documents

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

#### **Part 2: HSE Board Governance**

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

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

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

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

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

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

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

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

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

### **Part 3 General HSE Operational Policies, Procedures, Codes etc**

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

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

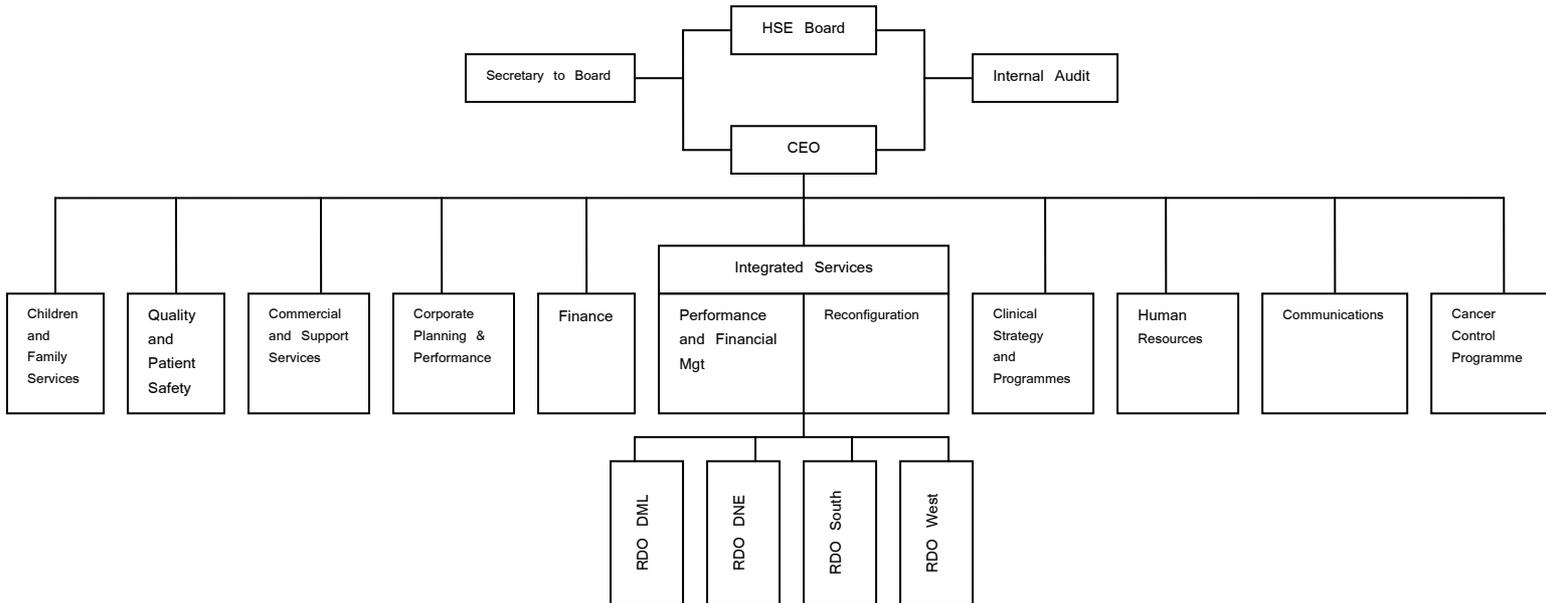
The HSE Codes of Standards and Behaviours and the Policy Statement on Fraud are detailed in appendices 5 and 6. The other policies and codes are listed in appendix 7. The full content of these documents may be accessed for view or download from the HSE Website [.HSE intranet Code of Governance Web Page](#)

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

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

## 5. HSE Organisation

### HSE Organisational Structure



### Roles of National Directorates

#### Finance Directorate

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

#### Internal Audit

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

#### National Cancer Control Programme

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

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### **Corporate Planning & Corporate Performance**

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

### **Quality and Patient Safety Directorate**

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

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

### **Clinical Strategy and Programmes Directorate**

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

### **Integrated Services Directorate**

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

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

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

### **Human Resources**

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

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### Communications Directorate

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

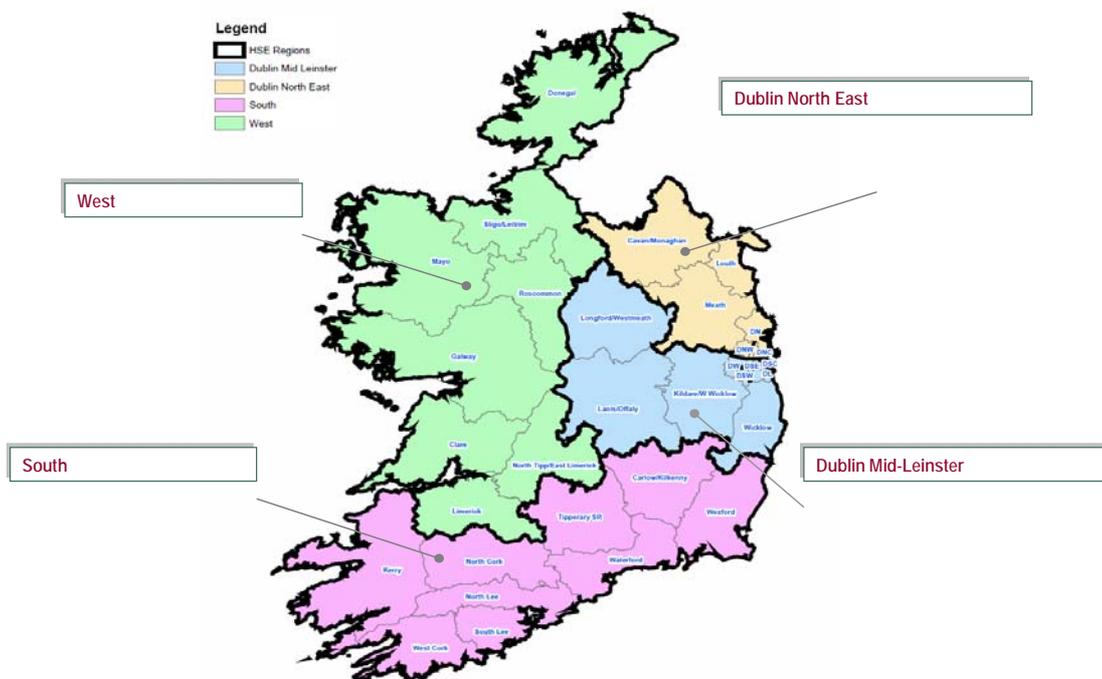
### Children and Family Services

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

### Commercial Support Services

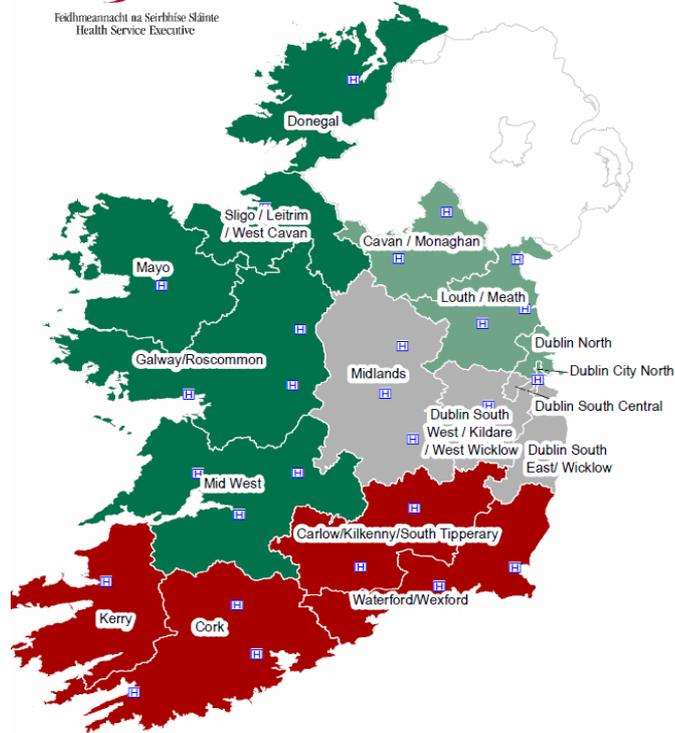
The Commercial and Support Services Directorate is responsible for the management of ICT, Capital and estates, Procurement, Contracts and Legal Services.

## HSE - Regional Management



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## HSE Areas



### Legend

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

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## **PART 2 HSE BOARD GOVERNANCE**

### **Chapter 2 Board Terms of Reference**

#### **1. Preamble**

In preparing this chapter, the Board of the Health Service Executive (HSE) consulted a number of sources and authorities.

Relevant provisions of the Health Act 2004 (the “Act”) have been taken into account. Specifically, Part 3 “The Board of the Health Service Executive” and Schedule 2 “Miscellaneous provisions relating to the Executive and the Board” provide the legal direction and background to this chapter.

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:

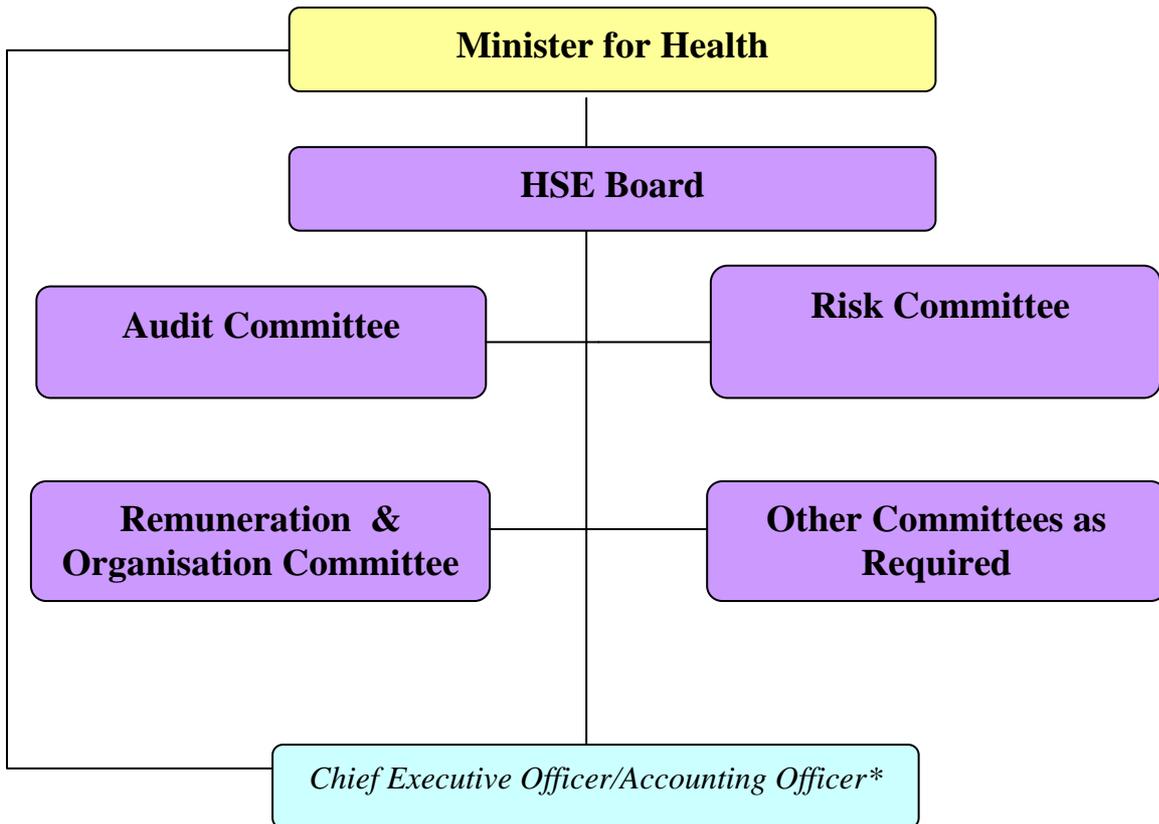
- Department of Finance *Code of Practice for the Governance of State Bodies (2009)* and *Public Financial Procedures (2008)*
- Department of Finance ‘*The Role and Responsibilities of Accounting Officers – A memorandum for Accounting Officers*’ (Mullarkey Report 2003)
- Ethics Acts 1995 to 2001
- The UK Corporate Governance Code (2010) 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*

#### **2. Governance of the Health Service Executive**

##### **2.1 Board’s position within the reporting structure**

The following organogram sets out where the Board of the HSE and its Committees sit in the context of the overall HSE organisation.

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\* The Chief Executive Officer is also the Accounting Officer - see Section 3.4.1.

## 2.2 Role of the Board

Section 7 of the Health Act 2004 sets out the following as the key object:

Object and functions of Executive.

7.—(1) The object 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) Subject to this Act, the Executive shall, to the extent practicable, further its object.

Section 12 of the Act specifies the role of the Board as follows:

Role of Board.

12.—(1) The Board is the governing body of the Executive with authority, in the name of the Executive, to perform the functions of the Executive.

(2) The Board may delegate to the chief executive officer any of the Executive's functions.

(3) If a function of the Executive is delegated to the chief executive officer under *subsection (2)*, the delegation remains in force until the Board revokes the delegation.

(4) The Board shall inform the Minister of any matter that it considers requires the Minister's attention.

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The Board must at all times:

- Place the patient/client<sup>1</sup> 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.
- 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.
- Fully discharge its administrative role.

### 3. The Board and its members

The Board of the HSE is appointed by the Minister for Health in accordance with Section 11 of the Act. It shall consist of:

*11 members (including the chairperson and 10 ordinary members) appointed by the Minister in accordance with this section.*

The members comprise of:

- Independent Chairperson
- Chief Executive Officer, HSE (ex officio member)
- Secretary General, Department of Health
- 4 HSE National Directors Senior HSE Managers
- 3 Senior officials of the Department of Health
- Specialist Advisor -Special Delivery Unit.

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<sup>1</sup> In general, a reference to patient in the governance suite will encompass patients, clients, service users.

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Schedule 2 of the Health Act 2004 - Miscellaneous provisions relating to the Executive and the Board sets out provisions relating to:

### ***Term of office of chairperson and other appointed members of Board:***

2. — (1) *The chairperson holds office for such period, not exceeding 5 years from the date of appointment to the office, as the Minister shall determine.*
- (2) *Subject to subparagraph (3), an ordinary member holds office for such period, not exceeding 5 years from the date of appointment to the office, as the Minister may determine.*
- (3) *Of the ordinary members of the Board first constituted under this section—*
  - (a) *5 of them (selected in accordance with subparagraph (4) hold office for a period of 3 years from the date of appointment to the office, and*
  - (b) *the others hold office for a period of 5 years from the date of such appointment.*
- (4) *The ordinary members who are to hold office for a period of 3 years are, at a meeting of the Board held for the purpose, to be selected by—*
  - (a) *unanimous agreement of the ordinary members present at the meeting, or*
  - (b) *if for any reason unanimous agreement cannot be reached, the drawing of lots by those members.*
- (5) *An appointed member who completes a term of office is eligible for reappointment to the Board, but may not serve for more than 2 consecutive terms.*
- (6) *A period of service as a member pursuant to an appointment under paragraph 3(2) is considered for the purposes of subparagraph (5) to be a term of office.*

### ***Resignations and casual vacancies***

3. — (1) *An appointed member may resign office by letter addressed to the Minister and the resignation takes effect on the later of—*
  - (a) *the date specified in the letter, or*
  - (b) *the receipt of the letter by the Minister.*
- (2) *If an appointed member resigns, dies, ceases to hold office (other than on completing a term of office), ceases to be qualified for office or is removed from office, the Minister shall as soon as practicable appoint a person to fill the casual vacancy so occasioned.*
- (3) *A person appointed under subparagraph (2) holds office for the unexpired portion of his or her predecessor's term of office and at the end of that term is, subject to paragraph 2(5), eligible for reappointment as a member.*

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### **Meetings of Board**

4. — (1) *The Minister, in consultation with the chairperson, shall fix the date of the first meeting of the Board and shall specify the time and place of the meeting.*
- (2) *The Board shall hold as many meetings as are necessary for performing its functions, but in each year shall hold not fewer than one meeting in each of 11 months of that year.*
- (3) *The chairperson may at any reasonable time call a meeting of the Board.*
- (4) *Any 3 members may call a meeting of the Board if the chairperson—*  
*(a) refuses to call a meeting after being presented with a requisition for that purpose signed by not fewer than 3 members, or*  
*(b) without refusing to call a meeting, does not call one within 7 days after being presented with such requisition.*

### **Quorum and procedures**

5. — (1) *The quorum for a meeting of the Board is 5.*
- (2) *The chairperson is to preside at all meetings of the Board at which he or she is present.*
- (3) *If the chairperson is absent from a meeting, or if that office is vacant, the members present at the meeting shall choose one of themselves, other than the chief executive officer, to preside.*
- (4) *Each question at a meeting shall be determined by a majority of the votes of the members present and voting on the question.*
- (5) *In the case of an equal division of votes, the chairperson or other member presiding at the meeting has a second or casting vote.*
- (6) *As long as there is a quorum, the Board may act despite one or more than one vacancy among its members.*
- (7) *Subject to this Act, the Board shall regulate, by standing orders or otherwise, the procedures and business of the Board.*
- (8) *Non-compliance with a standing order of the Board does not invalidate a decision of the Board.*

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### 3.1 Code of Standards and behaviour for Board members

It is the individual and collective responsibility of Board 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.

Members should respect the highest standards of honesty and integrity. To ensure this they should adhere to the following principles:

#### 3.1.1 Integrity

Board 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. Board members shall provide all relevant information necessary to the Board to allow it to assess their independence. Each member has a responsibility to advise the Board if their circumstances change such that their independence is affected. Detailed guidance on disclosure of members interests is set out in Appendix 1: Disclosure of Interests by Directors of State bodies.
- annually complete and submit to the Board Secretary a compliance statement in relation to the code of standards and behaviour for Board members as set out in Appendix 2: Members annual compliance certificate.
- submit annually a declaration of interests statement in accordance with the Ethics Acts 1995 to 2001:
  - Appendix 3: Ethics in Public Office Acts 1995 and 2001- Designated Directorships - Statement of Interests, and
  - Appendix 4: Ethics in Public Office Acts 1995 and 2001- Designated Directorships - Statement of NIL Interests.
- 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.

#### 3.1.2 Information

Board 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.

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- 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 Board under the provisions of the Freedom of Information Act will be directed to the Freedom of Information Office by the Board Secretary.

### **3.1.3 Confidentiality**

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

### **3.1.4 Obligations**

Board 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 Board and/or Board Committee meetings (as applicable).

### **3.1.5 Loyalty**

Board 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.

### **3.1.6 Fairness**

Board members should:

- comply with employment equality and equal status legislation.
- commit to fairness in all business dealings.
- value stakeholders and treat all stakeholders fairly.

### **3.1.7 Work/External Environment**

Board 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.

### 3.2 Chairperson

In accordance with the Act, the Minister for Health shall appoint the Chairperson of the Board. The appointment shall be for a period not exceeding five years.

The Chairperson must oversee the orderly operation of the Board and ensure that there is appropriate interaction between the Board and the Minister for Health

The roles of Chairperson and Chief Executive Officer shall not be exercised by the same person.

### 3.3 Ordinary members of the Board

Members are appointed by the Minister for Health as follows:

First Board:

- Five members will hold office for a period of 3 years from date of appointment, and
- All others will hold office for a period of 5 years from date of appointment.

The five members who have 3 year appointments shall be selected by the Board by unanimous vote (or drawing lots if agreement is not reached).

All other Board appointments:

- All members hold office for a period not exceeding 5 years.

On completion of a term of office a member is eligible for reappointment but may not serve more than 2 consecutive terms.

A member who takes up an appointment as a result of removal, resignation or death of a previous member shall serve only until the end of the previous member's original term.

In accordance with Section 11 (2) of the Act the Minister shall make appointments to the Board:

*from among persons who, in the Minister's opinion, have sufficient experience and expertise relating to matters connected with the Executive's functions to enable them to make a substantial contribution to the performance of those functions.*

The role of all Board members is to:

- Provide a value-added input to HSE strategy
- Act as a catalyst for change and challenge the status quo when appropriate
- Advise and support the Chief Executive Officer and management
- Satisfy themselves that financial controls and systems of risk management are robust and defensible.

Newly appointed members shall be provided with appropriate induction training in relation to their responsibilities as a member. Subsequent training for all Board members shall take place particularly in relation to new laws and regulations.

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The performance of Board members shall be formally reviewed annually by the Chairperson (in the case of the Chairperson by a member chosen by the Board). The annual report shall state how performance evaluation of the Board, Board Committees and individual members was conducted.

### 3.4 Chief Executive Officer (and role as Accounting Officer)

The Board shall appoint a Chief Executive Officer (CEO), recruited in accordance with the Public Service Management (Recruitment and Appointments) Act 2004. The Minister appoints the first CEO on the recommendation of the Board.

If the CEO is absent or the position of CEO is vacant, the functions of the CEO may be performed by such employee of the HSE as may be appointed by the Board to act as Deputy CEO. In the event of such an appointment that person carries the same authority as the CEO in exercising his/her deputising role (Section 18.4 of the Health Act 2004 refers).

The CEO's role is to manage the day-to-day operational issues on behalf of the Board. As head of the HSE, the CEO is accountable to the Board. S/he is also a member of the Board and is the **Accounting Officer** for the HSE. The CEO, in accordance with Sections 18 - 21 of the Health Act 2004 will:

- operate, manage and control generally the administration and business of the HSE;
- be accountable to the Board;
- implement the corporate plan, service plan and capital plan;
- act as Accounting Officer in relation to the appropriation account of the HSE;
- 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 Board has timely and accurate information to fulfil the statutory object and functions of the HSE;
- ensure that the Board has timely and accurate information on the performance of management;
- ensure that the Board has sufficient information on risk identification, measurement and mitigation strategies for the HSE;
- 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 Board to meet its accountability to Government and the Minister for Health.

In addition, the CEO will inform the Chairperson of the Board and the Chairpersons of the Audit and Risk Committees in a timely manner of any material breaches of internal controls.

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### 3.4.1 Role of Accounting Officer

*The following sets out the role of the Accounting Officer as set by the Department of Finance (Department of Finance 'The Role and Responsibilities of Accounting Officers – A memorandum for Accounting Officers' (Mullarkey Report 2003)):*

Accounting officers have a key role in the system of accountability for public moneys. The key feature of the accounting officer role is his or her personal responsibility for the regularity and propriety of the transactions in the accounts for which he or she is answerable, the control of assets held by the organisation and economy and efficiency in the use of its resources and for the systems, practices and procedures used to evaluate the effectiveness of its operations. This accountability is exercised by means of rigorous examination of the manner in which an accounting officer has discharged his or her responsibilities by means of independent audit and examinations by the Comptroller and Auditor General (C&AG) and of scrutiny by the Public Accounts Committee (PAC). The duty of signing the appropriation accounts and of appearing before the PAC to give evidence about them is one for the accounting officer to perform in person and may not be delegated.

An outline of the responsibilities of accounting officers is set out in the Department of Finance document, *Public Financial Procedures*. In addition to the preparation of the appropriation account, the main responsibilities of accounting officers as laid down in *Public Financial Procedures* are as follows:

- the safeguarding of public funds and property under his or her control;
  - the regularity and propriety of all the transactions in each appropriation account bearing his or her signature;
  - ensuring that all relevant financial considerations are taken into account and, where necessary, brought to the attention of the Board where they concern the preparation and implementation of policy proposals relating to expenditure or income for which he or she is accounting officer;
  - economy and efficiency in the administration of the organisation. This includes ensuring that there are adequate financial management systems in place to support the proper administration of the organisation in an economic and efficient way;
  - the adequacy of arrangements within the organisation to ensure the correctness of all payments under his/her control and the prompt and efficient recovery and bringing to account of all receipts connected with the Vote, or with any fund for which the organisation is responsible;
  - ensuring that appropriate sanction for expenditure has been obtained in accordance with Government policy and for the maintenance of a central record of both delegated and specific sanctions;
  - **The Department of Finance Public Financial Procedures includes “responsibilities for internal audit, including regularly reviewing the internal audit function to ensure there is the desired quality of assurance on the adequacy, reliability and efficiency of the organisation’s internal control system”.**
- The HSE believes that best practice is to have the National Director of Internal Audit report to the Audit Committee and so this responsibility is transferred to the Audit Committee;**
- responsibilities in respect of Grants-in-Aid to outside agencies, particularly in regard to the conditions of the grant, the submission of accounts and being satisfied that the accounting systems and organisational arrangements of the grantee are adequate to ensure the proper administration of the money; and

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- ensuring that there is a clear framework for control (including financial reporting) and accountability for public funds in bodies operating under the aegis of the organisation.

Issues may arise from time to time as to the extent of the Accounting Officer's responsibility, particularly in respect of bodies under the aegis of the organisation that are in receipt of public funds. Government guidelines recommend that, as a general principle, accounting officers should satisfy themselves, in relation to all bodies under their aegis in receipt of public funds, that there are systems in place in those bodies to provide relevant, accurate and timely information. (This should not, of course, be interpreted as accounting officers having to take onto themselves responsibilities that properly belong in the bodies concerned.)

Accounting officers should be thoroughly familiar with Public Financial Procedures. The Department of Finance Memorandum on 'The Role and Responsibilities of Accounting Officers' provide further guidance for accounting officers.

It should be noted that where the Accounting Officer has a difference of opinion with the Board, in relation to an area for which he has responsibility (as the Accounting Officer), he/she should inform the Board of his/her view. If notwithstanding, the view of the Accounting Officer, the Board gives contrary directions; the Accounting Officer should comply after informing the Minister for Health and the Comptroller and Auditor General.

### 3.5 Board Secretary

The Board Secretary is a Board appointment. The role of the Board 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 Board meetings.

Given the importance of corporate governance compliance and the legal requirement to set up a new governance structure for all areas of the HSE, including in those areas where substantial funding is provided by the HSE it is likely that the holder will have a professional qualification and a qualification/expertise in governance. The holder should be fully familiar with the Health Acts, the particular requirements of parliamentary accountability including the role and functions of Accounting Officers, general Government accounting conventions and general public service conventions.

Specifically the Board 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 Board members as "Designated Directors" under the Ethics in Public Office Acts 1995 to 2001.
- Bring to the attention of Board 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 Board meetings:
  - Properly notify members in advance

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- Prepare, following consultation with the Chairperson and the Chief Executive Officer 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 Board agendas until resolved.

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

### 3.6 Board Committees

The Board may, from time to time, establish such Committees of the Board as are necessary to assist it in the performance of its duties. These Committees shall be established under the authority of Section 15 of the Health Act 2004. They may include members who are not members of the Board if specialist skills are required, provided their appointment is approved, in advance, by the Chairperson of the Board.

Where a Committee is established:

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

Attendance at Board 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 CEO in advance of required attendees and it is the CEO'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. CEO, National Director of Finance, National Director of Internal Audit and National Director Quality and Patient Safety).

### 3.7 Audit, Risk and Remuneration Committees

#### 3.7.1 Audit Committee

In accordance with best practice, the Board shall establish an Audit Committee. The terms of reference of this Committee are set out in a related document entitled "Audit Committee Terms of Reference". In accordance with best practice, the Chairperson of the Board shall not chair or be a member of the Audit Committee. At least one member of the Audit Committee shall have relevant financial experience.

#### 3.7.2 Risk Committee

The Board shall establish a Risk Committee. The terms of reference of this Committee are set out in a related document entitled "Risk Committee Terms of Reference". In accordance with best practice, the Chairperson of the Board shall not chair or be a

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member of this Committee. At least one member of the Risk Committee shall have relevant operational/clinical experience.

### 3.7.3 Remuneration and Organisation Committee

The Board shall establish a Remuneration and Organisation Committee. The terms of reference of this Committee are set out in a related document entitled “Remuneration and Organisation Committee Terms of Reference”. The members of the Committee shall be Board members and shall comprise of at least three members and may include the Chairperson of the HSE Board.

## 3.8 Removal or resignation of Board members

### 3.8.1 Removal at the Minister’s discretion

Sections 13 and 14 of the Health Act 2004 govern removal of members. A member can be removed if in the Minister’s opinion the member has:

- *Become incapable through ill-health of performing the function of office*
- *Committed a stated misbehaviour*
- *Contravened standards of integrity and unauthorised disclosure of confidential information under sections 25 and 26 of the Health Act, the provisions of the Ethics in Public Office Act 1995 or section 10(3) of the Standards in Public Office Act 2001*
- *the member’s removal is deemed necessary for the Board to perform its functions in an efficient manner.*

### **Section 13 of the Health Act 2004 further states:**

- 13.—(1)** *The Minister may at any time remove an appointed member from office if—*
- (a) in the Minister’s opinion, the member has become incapable through ill-health of performing the functions of the office,*
  - (b) in the Minister’s opinion, the member has committed stated misbehaviour,*
  - (c) the member’s removal from office appears to the Minister to be necessary for the Board to perform its functions in an effective manner,*
  - (d) the member has contravened section 25(1) or 26 of this Act or an applicable provision of the Ethics in Public Office Act 1995, or*
  - (e) in performing functions under this Act, the member has not been guided by a code of conduct that has been drawn up under section 10(3) of the Standards in Public Office Act 2001 and that relates to the appointed member.*
- (2)** *An appointed member ceases to hold office if the member—*
- (a) is adjudicated bankrupt,*
  - (b) makes a composition or arrangement with creditors,*
  - (c) is convicted of an indictable offence,*

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- (d) is convicted of an offence involving fraud or dishonesty,*
  - (e) is the subject of an order under section 160 of the Companies Act 1990,*
  - (f) is sentenced to a term of imprisonment by a court of competent jurisdiction, or*
  - (g) is removed by a competent authority for any reason (other than failure to pay a fee) from any register established for the purpose of registering members of a profession.*
- (3) *A member who does not, for a consecutive period of 6 months, attend a meeting of the Board ceases at the end of that period to hold office unless the member demonstrates to the Minister's satisfaction that the failure to attend was due to illness.*
- (4) *In this section "applicable provision of the Ethics in Public Office Act 1995", in relation to an appointed member, means a provision of that Act that by virtue of a regulation under section 3 of that Act applies to that member.*

Under Section 14 of the Health Act 2004 the Minister may remove all the members of the Board from office if—

- (a) the Board fails to achieve a quorum for 3 consecutive meetings,*
- (b) the Board does not comply with a judgment, order or decree of any court,*
- (c) the Board does not comply with a direction of the Minister or any other requirement imposed on it by or under any enactment including this Act, or*
- (d) the Minister is satisfied that the Board's functions are not being performed in an effective manner.*

In addition, the Minister may, if of the opinion that the Board's functions are not being performed in an effective manner, appoint under section 14(2) of the Act, a person to:

- (a) conduct an independent review of any matter giving rise to that opinion, and*
- (b) submit a report to the Minister on the results of the review.*

Section 14 of the Act further states that:

*The Board shall co-operate with any such review and give the person conducting it all reasonable assistance, including access to such premises, equipment and records as the person may require for the purposes of the review.*

*The chief executive officer does not cease to hold that position solely because he or she ceases to be a member of the Board when the members are removed from office under this section.*

*The removal of the members of the Board from office does not revoke or otherwise affect any delegation of the Executive's functions to the chief executive officer under section 12(2).*

### 3.8.2 Cessation of office

#### **Section 13 of the Act states:**

- 13.—(2) *An appointed member ceases to hold office if a member-*
- (a) is adjudicated bankrupt,*
  - (b) makes a composition or arrangements with creditors*
  - (c) is convicted of an indictable offence,*
  - (d) is convicted of an offence involving fraud or dishonesty,*
  - (e) is the subject of an order under section 160 of the Companies Act 1990,*
  - (f) is sentenced to a term of imprisonment by a court of competent jurisdiction, or*
  - (g) is removed by a competent authority for any reasons (other than failure to pay a fee) from any register established for the purpose of registering members of a profession.*
- (3) *A member who does not, for a consecutive period of 6 months, attend a meeting of the Board ceases at the end of that period to hold office unless the member demonstrates to the Minister's satisfaction that the failure to attend was due to illness.*
- (4) *In this section "applicable provision of the Ethics in Public Office Act 1995", in relation to an appointed member, means a provision of that Act that by virtue of a regulation under section 3 of that Act applies to that member.*

### 3.8.3 Resignation

A member may resign by letter addressed to the Minister.

## 3.9 Meetings

The Board shall hold as many meetings as are necessary for performing its functions, but, in each year it shall hold not fewer than one meeting in each of eleven months of that year.

A quorum shall be five members.

The Chairperson may at any reasonable time call a meeting of the Board. In addition, any three members may call a meeting of the Board if the chairperson:

- refuses to call a meeting after being presented with a requisition for that purpose signed by no fewer than 3 members, or
- without refusing to call a meeting, does not call one within 7 days after being presented with the requisition.

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 Board meeting.

A member's participation in a meeting by video link or audio link shall be regarded as valid for these purposes.

Attendance at Board and Committee meetings shall be disclosed in the minutes of the Board meeting dealing with the evaluation of Board performance.

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

In accordance with best practice, at least once each year:

- the Chairperson and Board members should meet without management, including the Chief Executive Officer, and
- the Board members should meet without the Chairperson and management.

### **3.10 Independent professional advice**

The resources of the HSE are available to the Board and its members 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.

### 4. Business of the Board

#### 4.1 Delegation of responsibilities to the Chief Executive Officer

The Board delegates operational responsibility for the day-to-day running of the HSE to the Chief Executive Officer.

#### 4.2 Reserved functions of the Board

The Board shall be responsible for the following:

##### Plans (Part 7 of the Health Act, 2004)

- The adoption (and amendment) of the Corporate Plan (Section 29) (for subsequent approval by the Minister for Health) detailing the key objectives of the HSE for the following three years including:
  - o the strategies for achieving these objectives
  - o the measures by which it is proposed to measure the achievements of these objectives and
  - o the uses for which it is proposed to apply resources.
- The adoption (and amendment) of the Service Plan (Sections 31 & 32) (following approval of the corporate plan and for 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, the Minister may direct the Chief Executive Officer to submit one in which case it will be deemed to have been adopted by the Board (Section 31 of the Health Act).
- 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.
- The submission of superannuation schemes to the Minister (Section 23).

##### Codes

- 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 Act that includes:
  - o the guiding principles applicable to the HSE as a public body having functions relating to health and personal social services
  - o the structure of the HSE, including the roles and responsibilities of the Board and the Chief Executive Officer
  - o the methods to be used to bring about the integration of health and personal social services
  - o the processes and guidelines to be followed to ensure compliance with the reporting requirements imposed on the HSE by or under the Act

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

### Monitoring of Performance

- The Board shall receive regular reports from the HSE Management Team and the Board Committees 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))
  - Reports on compliance with the Code of Governance requirements of the HSE.

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

- The adoption of the Annual Financial Statements, (Section 36).
- The adoption of the Annual Report (Section 37).  
Within four months of its year-end the Board shall approve and submit to the Minister for Health an Annual Report 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 Act).

### Ongoing Approvals

- Changes to the corporate structure of the HSE,
- Appointment of the Chief Executive Officer (section 17),
- Removal of the Chief Executive Officer,
- 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),

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- 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 Board Committees (Section 15),
- Appointment of Members of Board Committees (section 15),
- Removal of Members of Board Committees,
- Delegation of Board functions to the CEO (Section 12) and directions to the CEO in relation to the delegation and sub delegation of these functions by the CEO, (Section 19),
- The designation of a panel of employees who are authorised by the Board to be appointed as Deputy Chief Executive Officer, to perform the functions of the CEO under Section 18 of the Health Act, 2004 in accordance with the Board's resolution dealing with this issue. (Section 18 (3)) (An employee of the Executive appointed by the Board from time to time to act as deputy Chief Executive Officer 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))  
*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 arms length disposals of land and property wherein the transaction value exceeds €2 million exclusive of V.A.T. and Service Charges. (i.e. Category 3 Property Transactions\*) (Section 6(2))  
*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))  
*Note: Land and Property transactions are classified into three categories:  
Category 1: ≤ €1million, which may be approved by the relevant National Director or such other post holder delegated by the CEO.  
Category 2: > €1 million & ≤ €2 million, which may be approved by the Chief Executive Officer.  
Category 3: > €2 million, which must be approved by the Board.*

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### 4.2.1 Performance of Functions

The performance of the functions delegated by the Board to the CEO 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 Board 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 time being in force.
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.
11. It should also be noted that the CEO must perform these functions in accordance with the role and responsibilities of Accounting Officer (Public Financial Procedures, Department of Finance),

### 4.3 Board communications

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

The Chairperson shall be the spokesperson for the Board on all other matters.

Members will direct their communication to the HSE via the Chairperson or Chief Executive Officer (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 Board matters.

### 4.4 Board agenda and papers

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

The Chairperson has a casting vote in the event that it is required.

The standing Board agenda includes:

- Approval of minutes from previous meeting,
- Consideration of matters arising/unresolved items from the previous meeting,
- Reports from Committees of the Board
- Performance report from the Chief Executive Officer on Finance, Human resources and Service delivery as set out in the annual Service Plan,
- Written half-yearly report on Customer Complaints (as set out in Section 55 of the Act),
- 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 Board also has a work programme of reports and matters for consideration throughout the year on the agenda.

Maintenance of this programme is the responsibility of the Secretary.

Information for the Board should follow these principles:

- All members of the Board should have equal access to information that informs Board decisions.
- Information should be supplied in a timely, accurate and appropriate manner.

The Board 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.

## 5. Review of Board performance

At the beginning of each year the Board shall prepare a set of key performance indicators and measures for itself for the forthcoming year.

At the end of each year the Board 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 Board shall annually review its terms of reference and its own effectiveness and recommend any necessary changes to the Minister for Health.

## Chapter 3 Audit Committee Terms of Reference

### 1. Preamble

In preparing this chapter, the Board of the Health Service Executive (HSE) consulted a number of sources and authorities.

Relevant provisions of the Health Act 2004 have been taken into account. Section 15 provides for appointment of Committees by the Board. The Board is required to specify in writing the purpose and terms of reference of each Committee.

The models of best practice that were consulted (except where provisions were clearly not applicable to a body such as the Health Service Executive) were:

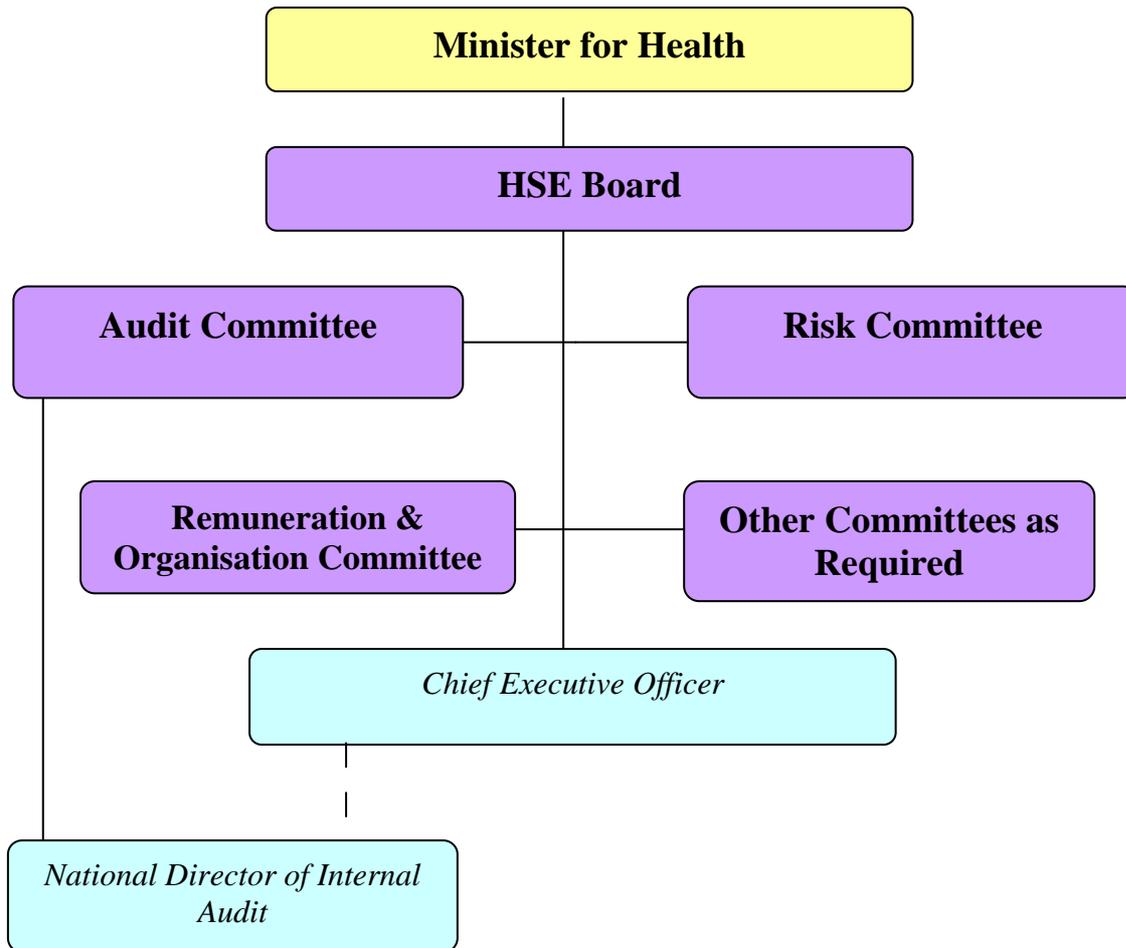
- Department of Finance *Code of Practice for the Governance of State Bodies (2009)*
- Department of Finance *'The Role and Responsibilities of Accounting Officers - A memorandum for Accounting Officers'* (Mullarkey Report 2003)
- Department of Finance *Risk Management Guidance for Government Departments and Offices* (March 2004)
- The UK Corporate Governance Code (2010) and other *best practice guidelines*
- Office of Public Management, Chartered Institute of Public Finance and Accountancy and the Rowntree Foundation *Good Governance Standard for Public Services*.

### 2. Foreword

#### 2.1 Audit Committee's position within the reporting structure

The following organogram sets out where the Audit Committee of the HSE sits in the context of the overall HSE organisation:

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### 3. Role

The Audit Committee of the HSE focuses principally on assisting the Board in fulfilling its duties by providing an independent and objective review of the:

- financial reporting process;
- process related to the HSE's financial risks, corruption and waste and system of internal control;
- internal and external audit processes; and
- promotion and auditing of Value for Money Management (VFM) throughout the health system.

### 4. Membership

The Board, on the nomination of the HSE Chairperson, shall appoint members of the Committee. The Committee shall consist of not less than three members. A quorum shall be two members. The Board reserves the right to appoint non Board members, subject to prior approval of the Chairperson of the Board, to the Committee where specialist knowledge and expertise is required from time to time.

The Board of the HSE shall appoint the Chairperson of the Committee. In the absence of the Chairperson from any meeting, the remaining members present shall elect one of their number to chair the meeting. In accordance with best practice the HSE Board Chairperson shall not be a member of this Committee.

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One member of the audit Committee shall have recent and relevant financial experience. All members should be financially literate.

### 5. Secretary

The secretary of the Committee shall be the Board Secretary or his/her nominee.

### 6. Attendance at meetings

Only members of the audit Committee shall be entitled to attend Committee meetings.

The HSE Board Chairperson, other Board members, CEO, National Directors of Internal Audit, Finance and other Directorates, representatives of the Office of the Comptroller & Auditor General (C&AG), or other persons shall attend meetings at the request of the Committee.

The members of the Committee will meet separately with the National Director of Internal Audit and the Office of the C&AG at least once a year.

### 7. Frequency of meetings

Meetings shall be held not less than four times a year (to coincide with key dates in the HSE's financial reporting cycle). Additional meetings shall be held as the work of the Committee demands.

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

A suggested agenda for the year is set out Section 12.

### 8. Authority

The Committee is authorised by the Board 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.
- obtain independent legal or 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 if it considers this necessary.
- investigate any matter it deems relevant brought to its attention by whomsoever, including, but not limited to, good faith reports.

### 9. Scope

The scope of the Committee's duties covers the following:

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

### 10. Duties

The duties of the Committee shall include:

- Financial reporting
- Internal financial control and financial risk management
- Internal Audit
- External Audit – Audit Firms
- External Audit – C&AG

#### 10.1 Financial reporting

- to review, and challenge where necessary, the actions and judgements of management, in relation to the HSE's financial statements before submission to, and approval by, the Board, and before clearance by the C&AG. (The procedures for adoption of Annual Financial Accounts are set out in section 36 of the Health Act).
- particular attention will be paid to:
  - critical accounting policies and practices, and any changes in them;
  - financial reporting decisions requiring a significant element of judgement;
  - the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed;
  - the clarity of disclosures;
  - significant adjustments resulting from the audit;
  - the going concern assumption;
  - compliance with any accounting standards specified by the Minister;
  - compliance with other legal requirements;
- to consider other topics, as defined by the Board.

#### 10.2 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

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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 review the statement in the annual report and accounts on the HSE's internal controls and risk management framework;
- to assess the scope and effectiveness of the systems established by management to identify, assess, manage and monitor financial and related risks;
- to review annually the Statement on Internal Controls as required under the Code of Practice for the Governance of State Bodies, report its outcome to the main Board and make appropriate recommendations.

### 10.3 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 Board Chairperson and the audit Committee and is accountable to the Audit Committee;
- to receive a report on the results of the internal auditor'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 the internal auditor's findings and recommendations;
- to monitor and assess the role and effectiveness of the internal audit function
- to make recommendations to the Board for the appointment or termination of the National Director of Internal Audit.

### 10.4 External audit

External audit is carried out by both the C&AG and Audit Firms. The National Director of Finance under the Committee's supervision is responsible for maintaining a register of who carries out the external audit of all bodies under the scope of the Committee as set out in Section 9 of this document.

The Audit Committee will ensure that the external auditor receives copies of the Code of Practice and is promptly notified of any changes made to same.

The Audit Committee shall 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.

### 10.4.1 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 Board, 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 Board by the audit process;
- review and monitor the content of the external auditor'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.

### 10.4.2 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

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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 Board, 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 Committees, 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, in order to assess whether it is based on a good understanding of the HSE's business 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 Board 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.

## 11. Committee Performance and Reporting

At the beginning of each year the Committee shall prepare a set of key performance indicators and measures for itself and Internal Audit for the forthcoming year.

At the end of each year the Committee 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. 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.

The minutes of each meeting shall, when approved by the Chairperson, be circulated to all members and, once approved by the Committee, to all other Board members.

At least one member of the Committee shall attend each meeting of the Board of the HSE and make recommendations in relation to the matters under its remit.

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 are synchronising and
- duplication in relation to investigations etc, is avoided.

Minutes of these meetings will be circulated to the Audit 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 Committees remit the matter falls to be dealt with, the Chairperson of the Board will assign the matter to one of the Committees.

Where disagreements between the Committee and the Board cannot be resolved, the Committee shall report the issue to the Minister for Health and the C&AG.

The Committee shall annually review its terms of reference and its own effectiveness and recommend any necessary changes to the Board.

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### 12. Audit Committee meeting agenda for the year

Based on a December year-end.

	Scheduled meetings			
	April/ May	July/ August	October/ November	January/ February
<b>Constitution</b>				
Review Audit committee's terms of reference				
Review Governance suite of documents				
Assess independence, financial literacy, skills and experience of members				
Establish number of meetings for the forthcoming year				
Audit committee chair to establish meeting agenda and attendees required				
Enhance financial literacy - update on current financial events				
<b>Assessment of financial information</b> (discuss with management, C&AG and external auditors where applicable)				
Review and recommend approval of annual financial statements				
<b>External auditors and C&amp;AG</b>				
Review performance				
Review audit plan and scope of audit work				
Review external audit findings				
Discuss appropriateness of accounting policies, estimates and judgements				
Discuss external auditors views on control environment including fraud risk management				
Discuss with auditor in absence of executives and management				
Ongoing communication (written/oral) of external auditor with audit committee				
<b>Internal auditors</b>				
Recommend appointment of Head of Internal Audit and review performance				
Review internal audit plan				
Review significant internal audit reports and findings				
Review progress on actions taken in response to the committee's representations				
Discuss issues with auditor in the absence of executives and management				
<b>Other responsibilities</b>				
Consider financial, operational and clinical risks systems of internal controls				
Review progress on actions taken in response to the representations of the auditors				
Review Good Fith reporting arrangements				
Review legal and compliance developments				
Review report to Board on role and responsibilities of the committee				
Perform self-assessment of audit committee performance				
Review financial personnel succession planning				
Review director and officer expenses and related party transactions				
Conduct special investigations and perform other activities as appropriate				
Maintain minutes and report to board				

Recommended timing

As required

### 13. Procedures for Adoption of Annual Financial Accounts

Section 13 deals with procedures for adoption of the Annual Financial Statements.

*Procedures for adoption of annual financial statements*

<b>Annual Financial Statements</b>				
Finance Director to prepare Annual Financial Statements	Jan-Mar			
Finance Director to present C&AG with interim Annual Financial Statements for Audit		Jan-Mar		
Finance Director to present Audit Committee with Annual Financial Statements for review for their recommendation to the Board.			Md Mar	
Finance Director to present the Annual Financial Statements to the Board for the Board's approval				Late Mar

<b>Recommendation of Audit Committee to the Board</b>				
Audit Committee to review Annual Financial Statements			Md Mar	
Audit Committee to obtain interim report from C&AG on Annual Financial Statements			Md Mar	
Audit Committee to obtain report from C&AG on Appropriation accounts			Md Mar	
Audit Committee to agree recommendation to be made to the Board			Late Mar	
<b>Adoption by the Board</b>				
Board to review Annual Financial Statements				Late Mar
Board to obtain interim report from C&AG on Annual Financial Statements				Late Mar
Board to adopt Annual Financial Statements				End Mar
Board submit approved Annual Financial Statements to C&AG				End Mar
Board submit approved Annual report (including AFS) to Minister				Apr/May

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### 14. Appropriation of Accounts

Section 14 deals with the Appropriation Accounts referring specifically to the Audit Committee's responsibility to provide assurance on the adequacy, reliability and efficiency of the system of internal control to the Accounting Officer.

Based on a December year-end.

<b><i>Appropriation Accounts</i></b>				
Accounting Officer/Finance Director to prepare Appropriation Accounts	Jan-Mar			
Accounting Officer to present C&AG with Appropriation Accounts for audit		Jan-Mar		
<b><i>Reconciliation of Annual Financial Statements and Appropriation Accounts</i></b>				
Accounting Officer/Finance Director to prepare reconciliation of Annual Financial Statements and Appropriation Accounts	Jan-Mar			
Accounting Officer/Finance Director to present C&AG with reconciliation of Annual Financial Statements and the Appropriation account for audit		Jan-Mar		
Accounting officer/Finance Director to present Audit Committee with reconciliation of Annual Financial Statements and Appropriation Accounts to enable the Audit Committee form their recommendation to the Board on the Annual Financial Statements.			Mid Mar	
Accounting Officer/Finance Director to present the reconciliation of Annual Financial Statements and Appropriation accounts to the Board to enable the Board approve the Annual Financial Statements				Late Mar

## Chapter 4 Internal Audit Function

### 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 Function

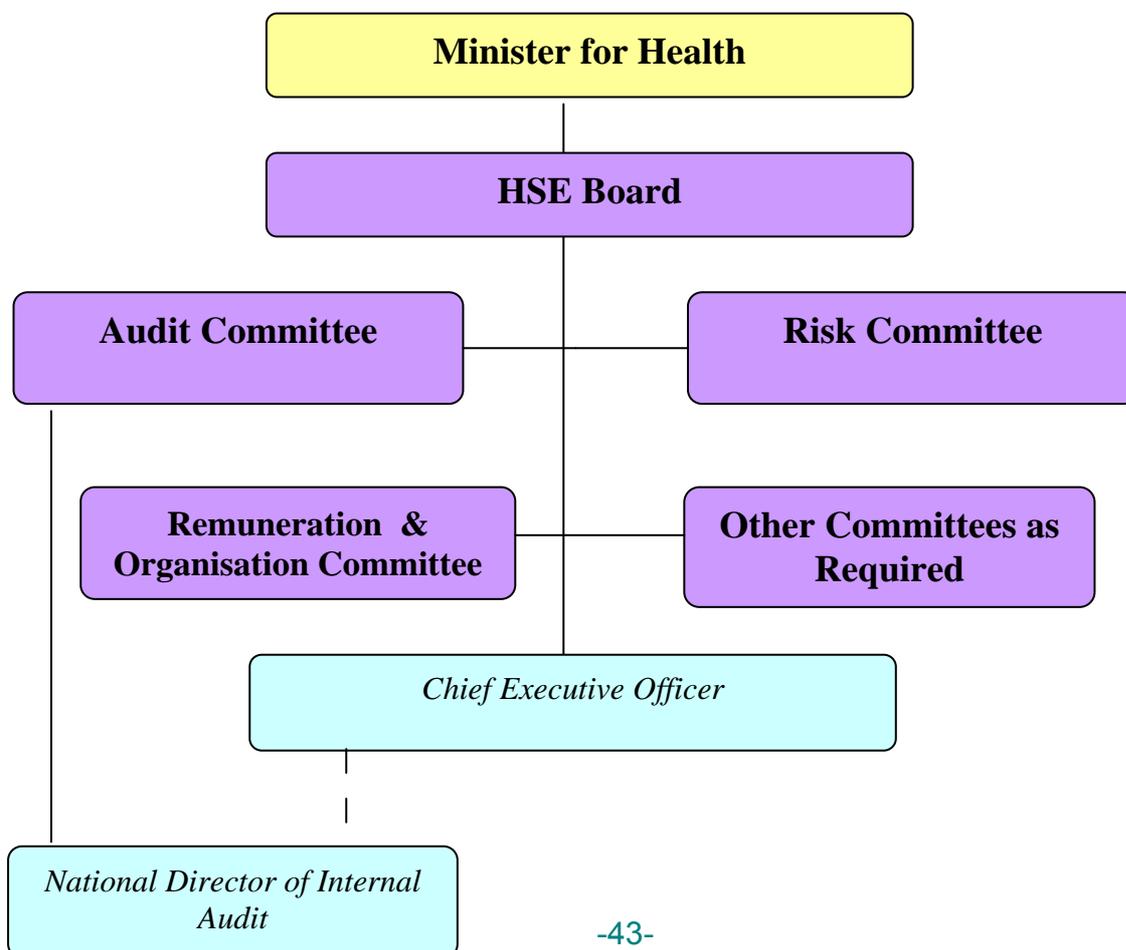
#### 2.1 Mission

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).

#### 2.2 Where Internal Audit fits in the HSE:

The following organogram shows the Internal Audit Function position in the overall HSE



### 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 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 CEO 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.

## **HSE Code Of Governance**

Internal Audit shall have full right of access to all Board members (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 Board 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 Board, 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.

## Chapter 5 Remuneration and Organisation Committee Terms of Reference

### 1. Preamble

The HSE Board has established a Remuneration and Organisation Committee (“the Committee”). Its role shall be:

- to monitor the performance of the Chief Executive and Senior Management (see Section 13 of this chapter for List of Relevant Posts) of the HSE and to make recommendations to the Board regarding the performance related elements of their remuneration.
- to demonstrate to the Executive’s stakeholders that the performance related remuneration of the Senior Management is controlled by a Committee of the Board whose members have no personal financial interest in these matters and who, in making decisions, or in making recommendations to the Board, will have due regard to the interests of the Executive, its clients and taxpayers in general; and
- *to monitor and oversee changes to the corporate structure of the HSE*
- to perform any other functions appropriate to a remuneration Committee, or assigned to it by the Board.

### 2. Membership

The members of the Committee shall be Board members appointed by the Board, and shall comprise of at least three members, which may include the Chairperson of the HSE Board.

The Chairperson of the Committee shall be appointed by the Board. In the absence of the Chairperson from any meeting, the remaining members present shall elect one of their number to chair the meeting.

The CEO will not participate as a member of the Committee when matters relating to the position of CEO are under consideration by the Committee.

### 3. Quorum

The quorum necessary for the transaction of business shall be two. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the powers exercisable by the Committee

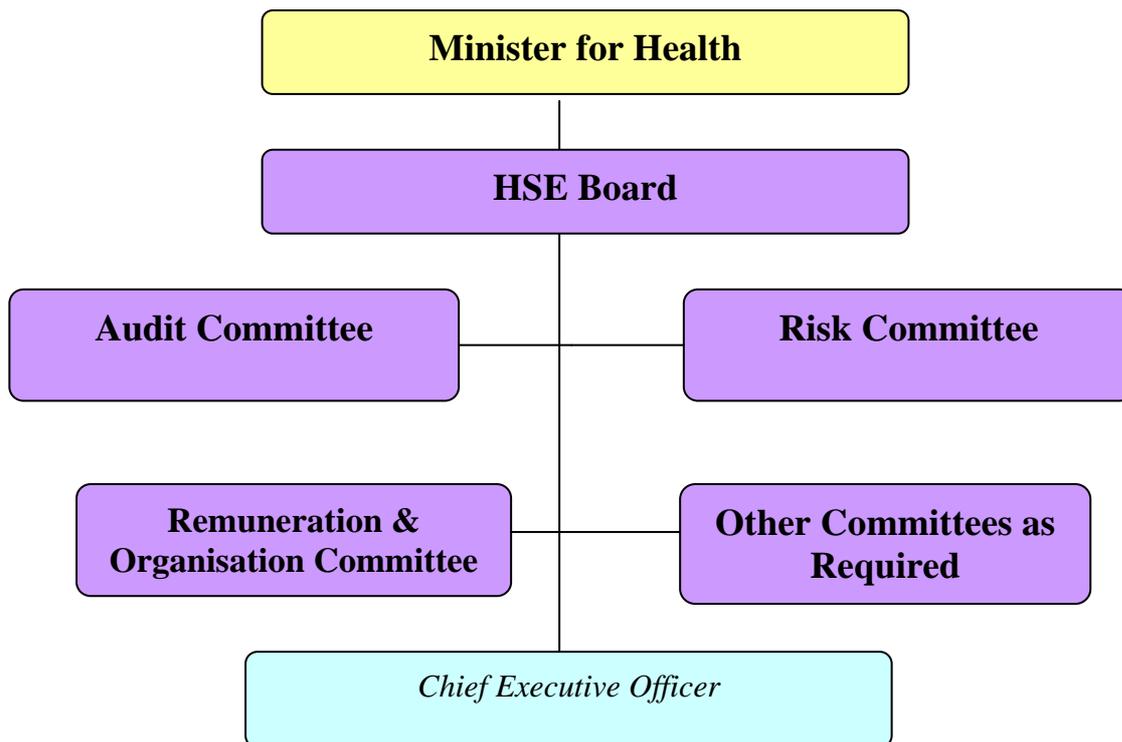
## HSE Code Of Governance

### 4. Secretary

The secretary of the Committee shall be the Board Secretary of the HSE Board or his/her nominee.

### 5. Where does the Remuneration and Organisation Committee fit in?

The following organogram sets out where the Remuneration and Organisation Committee of the HSE sits in the context of the overall HSE organisation:



### 6. Attendance at meetings

In addition to appointed members, the Chairperson of the Committee may invite other persons to attend for all or part of any meeting.

### 7. Frequency of meetings

The Committee shall meet at least twice a year and additionally as the Chairperson of the Committee considers necessary or appropriate.

### 8. Notice of meetings

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

The agenda of items to be considered at each meeting, together with supporting papers, will normally be forwarded to each member in advance of the meeting.

### 9. Minutes of Meetings

The Secretary shall minute the proceedings of all meetings of the Committee.

The minutes of each meeting shall, when approved by the Chairperson, be circulated to all members and, once approved by the Committee, to all other Board members.

### 10. Authority

In connection with its duties, the Committee is authorised:

- to seek any information it requires from any employee of the Executive.
- to obtain, at the Executive's expense, any outside professional advice it considers necessary or appropriate, subject to normal HSE procurement rules.

### 11. Duties

***The Committee shall:***

- within the terms of approved policy, determine the annual performance related element of remuneration of the Chief Executive,
- within the terms of approved policy and in consultation with the Chief Executive, determine the annual performance related element of remuneration of each member of Senior Management (see Section 13 of this chapter for list of relevant posts).
- consider the operation of performance-related pay schemes for senior management (including performance targets), or amendments to such schemes, and make any recommendations to the Board considered appropriate; and review the operation of performance-related pay schemes on such frequency as shall be determined by the Committee;
- ensure that all relevant statutory provisions regarding disclosure of Board members' remuneration are complied with and, in that regard, review and approve any material on these matters to be included in the Annual Report and Accounts;
- agree the policy for authorising claims for expenses from the Chairperson of the Board and the Chief Executive;
- appoint, as the Committee sees fit, remuneration consultants to assist the Committee in the discharge of its duties and responsibilities;

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- monitor and oversee changes to the corporate structure of the HSE
- review succession plans in place for all senior managements posts;
- ensure appropriate induction programmes are in place for all new appointments to the Board;
- recommend appropriate programmes to enable Board members to increase their knowledge on health and governance issues;
- recommend processes to assist the Board in the annual review of its own performance;
- consider such other matters relating to remuneration policies or practices as the Board, or the Chairperson, may from time to time bring to its attention.

*Approved HSE policies relating to remuneration will be consistent with the relevant policies and approvals issued by the Minister with the consent of the Minister of Finance.*

## **12. Committee Performance and Reporting**

The Committee shall review its performance and terms of reference annually to ensure its effectiveness and recommend to the Board any changes it considers appropriate in its terms of reference.

The Committee shall provide a regular report (at least twice yearly) to the Board.

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### 13. Senior Management Posts - For the Purposes of the Remuneration and Organisation Committee

- Chief Executive Officer
- National Directors Integrated Service
- National Director Finance
- National Director Human Resources
- National Director Internal Audit
- National Director Corporate Planning and Control Processes
- National Director Communications
- National Director Commercial and Support Services
- National Director Children and Family Services
- National Director of Cancer Control Programme
- National Director Clinical Strategy and Programmes
- National Director Quality and Patient Safety

## Chapter 6 Risk Committee Terms of Reference

### 1. Preamble

In preparing this chapter, the Board of the Health Service Executive (HSE) consulted a number of sources and authorities.

Relevant provisions of the Health Act 2004 have been taken into account. Section 15 provides for appointment of Committees by the Board. The Board is required to specify in writing the purpose and terms of reference of each Committee.

The models of best practice that were consulted (except where provisions were clearly not applicable to a body such as the Health Service Executive) were:

- Department of Finance *Code of Practice for the Governance of State Bodies (2009)*
- Department of Finance *'The Role and Responsibilities of Accounting Officers – A memorandum for Accounting Officers'* (Mullarkey Report 2003)
- Department of Finance *Risk Management Guidance for Government Departments and Offices* (March 2004)
- The UK Corporate Governance Code (2010) and other *best practice guidelines*
- Office of Public Management, Chartered Institute of Public Finance and Accountancy and the Rowntree Foundation *Good Governance Standard for Public Services*

### 2. Foreword

#### 2.1 Risk Committee's position within the reporting structure

The following organogram sets out where the Risk Committee of the HSE sits in the context of the overall HSE organisation:

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### 3. Role

The position statement on risk management issued by the Institute of Internal Auditors UK and Ireland further states that:

“The responsibility for risk management within an organisation clearly lies with the Board (or equivalent) who should be responsible for setting the strategy and senior management who should be responsible for implementing the strategy, although it is clear that everyone within an organisation bears some risk management responsibility”.

The primary responsibility for risk management lies with line management (Department of Finance, “Risk Management Guidance for Government Departments and Offices”, March 2004).

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The Risk Committee of the HSE focuses principally on assisting the Board in fulfilling its duties by providing an independent and objective review, in relation to non-financial risks. In particular it will:

- review processes related to the identification, measurement, assessment and management of risk in the HSE
- promote a risk management culture throughout the health system.

### **4. Membership**

The Board, on the nomination of the HSE Chairperson, shall appoint members of the Committee. The Committee shall consist of not less than three members. A quorum shall be two members. The Board reserves the right to appoint non Board members, subject to prior approval of the Chairperson of the Board, to the Committee where specialist knowledge and expertise is required from time to time.

The Board of the HSE shall appoint the Chairperson of the Committee. In accordance with best practice the HSE Board Chairperson shall not be a member of this Committee.

### **5. Secretary**

The secretary of the Committee shall be the Board Secretary or his/her nominee.

### **6. Attendance at meetings**

Only members of the Risk Committee shall be entitled to attend Committee meetings.

The HSE Board Chairperson, other Board members, CEO, the National Director of Quality and Patient Safety, other National Directors, the Office of the Comptroller & Auditor General (C&AG), or any other employee shall attend meetings at the request of the Committee.

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

### **7. Frequency of meetings**

Meetings shall be held not less than four times a year (to coincide with key dates in the HSE's reporting cycle). Additional meetings shall be held as the work of the Committee demands.

The National Director of Quality and Patient Safety or the C & AG may request a meeting if either considers that one is necessary.

### **8. Notice of meetings**

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

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The agenda of items to be considered at each meeting, together with supporting papers, will normally be forwarded to each member in advance of the meeting.

### 9. Minutes of meetings

The Board Secretary or his/her nominee shall minute the proceedings of all meetings of the Committee.

The minutes of each meeting shall, when approved by the Chairperson, be circulated to all members and, once approved by the Committee, to all other Board members.

### 10. Authority

The Committee is authorised by the Board 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 body totally or partially funded by the HSE and all employees and agencies funded are directed to co-operate with any request made by the Committee.
- obtain independent legal or 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 if it considers this necessary.
- investigate any matter it deems relevant, brought to its attention by whomsoever, including, but not limited to, good faith reports in relation to quality, safety and risk.

### 11. Scope

The scope of the Committee's duties covers the following:

- (i) HSE and anything it directly controls
- (ii) Agencies totally or partially funded by the HSE

### 12. Duties

The duties shall include internal control and risk management in relation to non- financial matters:

- to oversee the implementation of risk management in the HSE;
- to ensure that the appropriate risk registers and incident reporting procedures are established throughout the HSE;
- to define and review on a regular basis, the HSE's risk policy, methodology and standards;
- to create awareness, across the HSE, of the need to identify and manage risk effectively;
- to monitor the management of risk throughout the HSE and report on a regular basis to the Board;
- to ensure that a continuous risk management programme of activities/actions is implemented;

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- to ensure effective and integrated management of risk;
- to receive other reports (internal or external) on any topic(s) that the Risk Committee considers relevant to its work;
- to review and monitor management's responsiveness to the findings and recommendations of the Quality and Patient Safety function;

### 12.1 Executive Risk Management Culture

- to ensure that executive management maintains and promotes a control culture that enables integrated management of all the risks;
- to review the HSE's procedures for identification and reporting risks and ensure that arrangements are in place by which employees may, in confidence, raise concerns;
- to receive reports, on a timely basis, of concerns raised under the Policy on Good Faith Reporting, or Procedures on Protected Disclosures of Information 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 Governance Framework;
- to review regularly the reports of the National Director of Quality and Patient Safety on the effectiveness of the systems for risk management;
- to assess the scope and effectiveness of the systems established by management to identify, assess, manage and monitor risks.

### 12.2 Quality and Patient Safety Function

- to review and monitor the adequacy of the annual programme of the Quality and Patient Safety Directorate and ensure that this function is adequately resourced and has appropriate standing within the HSE;
- to receive a report from the National Director of Quality and Patient Safety on its work on a periodic basis;
- to review and monitor management's responsiveness findings and recommendations from the Quality and Patient Safety function;
- to monitor and assess the role and effectiveness of the Quality and Patient Safety function.

## 13. Committee Performance and Reporting

At the beginning of each year the Committee shall prepare a set of key performance indicators and measures for itself and the HSE's Quality and Patient Safety Directorate for the forthcoming year.

At the end of each year the Committee 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. Such a report should specifically include:

- a summary of the role of the Risk Committee;

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- 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.

On an ongoing basis, the Board Secretary or his/her nominee shall circulate the minutes of meetings of the Committee to all members of the Board. At least one member of the Committee shall attend each meeting of the Board of the HSE and make recommendations in relation to the matters under its remit.

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 are synchronising;
- duplication in relation to investigations etc, is avoided; and
- knowledge is shared and best practice implemented.

Minutes of these meetings will be circulated to the Audit 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 Board will assign the matter to one of the Committees.

# PART 3 GENERAL GOVERNANCE DOCUMENTS

## Chapter 7 GENERAL GOVERNANCE DOCUMENTS

Part 3 of the Code is concerned with the organisational financial and operational control procedures. These include a wide range of written policies, procedures, protocols and guidelines (PPPGs). These PPPGs and standards of behaviour, applicable to all HSE employees are essential to ensure that organisational governance in the HSE is robust and effective.

The *Code of Practice for the Governance of State Bodies* (2009) sets out requirements for all State Bodies in relation to the key activities which must be actively managed and controlled, and include: the conduct of employees (including business conduct), risk management policy, procurement policy, detection of fraud, travel policy, use of service level agreements, tax compliance, reporting etc. To ensure these activities are controlled the HSE has a range of policies and reporting arrangements under the various functional areas listed below,

- Human Resources
- Financial Management
- Quality and Patient Safety
- Advocacy and Customer Care
- Procurement
- Information & Communications Technology
- Estates
- Communications
- Planning and performance reporting

This chapter provides an overview and introduction to these documents. The full version of the HSE Code of Standards and Behaviour document is contained in Appendix 5. The policy statement on Fraud is set out in Appendix 6. A list of additional **approved national HSE Policies, Circulars and Codes** is provided in Appendix 7. Full content may be accessed from the HSE Website. [Code of Governance Web Page](#)

### 1. HUMAN RESOURCE MANAGEMENT

The HSE has in place a wide range of written policies, circulars and guidelines that are applicable to all HSE employees and are essential to support administrative personnel functions, performance management and employee relations.

The HSE **Code of Standards and Behaviour** defines the overall framework within which all employees are expected to work. It sets out the principles which should govern the behaviour of employees and the values which the HSE espouses. Individual departments and offices, and bodies funded by the HSE, meet the standards and may also wish to

## HSE Code Of Governance

provide additional guidance as appropriate for their own employees relevant to their own particular circumstances. Separate guidance is given to board members in the Terms of Reference of the HSE Board. The Code is published as part of the HSE Employee Handbook; induction processes include instructions on the provisions of the Code of Standards and Behaviour and all new employees receive a copy. The full version of the HSE Code of Standards and Behaviour document is contained in Appendix 5. The policy statement on Fraud is set out in Appendix 6 and details employees' responsibilities with regard to fraud prevention, what to do if fraud is suspected and the action that will be taken by management.

A full listing of the current approved national HR documents is provided in Appendix 7, the complete documents may be accessed via the [HSE intranet Code of Governance Web Page](#)

## 2. FINANCIAL MANAGEMENT

Financial Management is the system by which the financial aspects of the HSE are directed and controlled to support the delivery of the organisation's goals. The key performance criterion in relation to financial management is that the organisation has in place robust financial management systems and an effective system of internal control over the use of its financial resources. Effective internal financial control encompasses safeguarding the organisation's assets from losses of all kinds and ensuring that value for money is achieved in the use of financial resources.

The **National Financial Regulations** outline at a high level the framework within which the internal financial control system of the Health Service Executive (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 that the Financial Regulations are fully complied with.

A full listing of the current approved national financial policies and regulations is provided in Appendix 7, the complete documents may be accessed via the [HSE intranet Code of Governance Web Page](#)

## 3. QUALITY AND PATIENT SAFETY

The HSE is committed to the provision of safe, high quality health services. Raising and maintaining the quality and safety of care requires sustained commitment to continuous improvement from *everyone* involved in the health and personal social care system. The HSE has issued a *Quality and Risk Standard* that sets the criteria for implementation of an integrated quality, safety and risk management system across the HSE. The aim of the standard is to provide a common set of requirements that will apply across all service providers to ensure that health, personal and social services are both safe and of an acceptable quality.

## HSE Code Of Governance

The HSE Quality and Risk Management Standard and the associated Quality, Safety and Risk and Risk Framework enable the HSE to measure performance in quality and risk management against best practice standards including national standards issued by regulators and professional bodies. A consistent and structured approach to quality and risk management is essential to successfully managing quality and safety at all levels and areas within the HSE.

The HSE faces a wide range of strategic, operational and financial risks, from both internal and external factors. Risk Management is the planned and systematic approach to identifying, evaluating and responding to these risks and providing assurances that responses are effective. The HSE has in place a comprehensive integrated risk management policy with related procedures and guidance and reporting and monitoring mechanisms. A detailed description of the HSE operational approach is given in the Integrated Risk Management Policy document, HSE Risk Management Process document, the Incident management documentation and the Risk and Incident Escalation Procedures. The Risk Register is a key tool for the management and communication of risk information in the organisation. Guidance on developing and populating the HSE risk register is also provided.

A full listing of the current approved national quality and patient safety documents is provided in Appendix 7, the complete documents may be accessed via the [HSE intranet Code of Governance Web Page](#)

## 4. ADVOCACY AND CUSTOMER CARE

The HSE is committed to following the twelve principles of Quality Customer Service, adopted by Government in the Irish Public Service Modernisation Programme. The Advocacy Unit in the HSE has responsibility for developing and implementing best practice models of customer care within the HSE and the promotion of service user involvement throughout the organisation through the concept of 'Your Service Your Say'.

### **You and Your Health Service – What you can expect from your health service and what your health service can expect from you (Charter)**

*You and Your Health Service*, a health service charter, is a Statement of Commitment on healthcare expectations and responsibilities. It describes what the service user can expect when using health and social care services in Ireland, and what the service users' responsibilities are. It aims to inform and empower individuals, families and communities to actively look after their own health and to influence the quality of healthcare in Ireland. The Charter is based on eight principles that are considered fundamental to both health service employees and to people who use the services. The principles outlined, include the commitments as stated by the health service and therefore what service users can expect wherever and whenever they receive care. They are designed to promote care that is compassionate, more predictable, personal to service users, preventative and participatory.

### **The HSE Policy & Procedures for the Management of Feedback to include Comments, Compliments and Complaints**

The HSE has developed and will maintain a Policy and Procedure for the Management of Service User Feedback in line with the legal requirements placed on the HSE. It is the policy of the HSE to elicit views from patients, service users, carers, visitors and the community about the services provided by the HSE. Any complaint will be viewed as an opportunity to inform service provision, to continuously improve the quality of the services

## HSE Code Of Governance

that we provide and to learn lessons so as to prevent similar occurrences in the future. Complaints, criticisms or suggestions, whether oral or written will be taken seriously, handled appropriately and sensitively.

Additional information in relation to the 'Your Service, Your Say' - The Policy and Procedures for the Management of Consumer Feedback to include Comments, Compliments and Complaints in the Health Service Executive (HSE) can be found on [www.hse.ie](http://www.hse.ie) and on the intranet site. The full Your Service Your Say Policy & Procedures document is available on [HSE Intranet Code of Governance Web Page](#)

### 5. PROCUREMENT

HSE policies, procedures, standard templates & forms, guidance and applicable legislation are designed to ensure that HSE applies the highest standards of integrity, fairness, legality, confidentiality, and disclosure of interest to all procurement related transactions. All relevant procurement regulations should be applied so that competition is promoted, value for money secured, equal access to publicly funded contracts is afforded to all taxpaying suppliers, and openness and transparency assured. Where relevant, HSE procurement decisions should take account of prevailing social and environmental ethical standards.

The primary objectives of the HSE procurement policy are to ensure that all transactions:

- Meet the requirements of customers
- Give best value for money
- Utilise the HSE's significant purchasing power
- Are totally transparent and proportional
- Ensure equality of access to qualified suppliers
- Are formally contracted
- Fully comply with Government Guidelines and EU Directives applicable to state bodies
- Are undertaken in a professional manner

A listing of the current approved national procurement policies is provided in Appendix 7, the complete documents may be accessed via the [HSE intranet Code of Governance Web Page](#)

### 6. INFORMATION AND COMMUNICATIONS TECHNOLOGY

The provision of health and personal social services is driven to a large extent by the quality of the data that is available at the point of care and the quality of the information used to make decisions that impact upon people and society. Care outcomes are directly related to the quality, reliability, access, security, confidentiality, safety, cost-effectiveness and effective use of information and information technology.

The HSE has in place a comprehensive set of information security policies which outline the correct and proper use of the organisations information and I.T. (Information Technology) resources. Compliance with these policies is mandatory for all HSE staff and others that use I.T resources to process or store HSE patient, client or staff information.

A list of the current approved national ICT policies is provided in Appendix 7. The HSE Information Security Policies are available on the HSE Intranet to view or download ([http://hsenet.hse.ie/HSE Central/Commercial and Support Services/ICT/Policies and Procedures/Policies](http://hsenet.hse.ie/HSE_Central/Commercial_and_Support_Services/ICT/Policies_and_Procedures/Policies)) and may be accessed through [HSE Intranet Code of Governance Web Page](#)

### 7. ESTATES

The HSE has in place policies and procedures to ensure management and maintenance of the HSE estate. Infrastructure and facilities are managed to create and sustain a first class physical environment that enhances wellness in our patients and clients, enables and encourages staff, improves staff pride, facilitates easy access for patients to our sites while improving Public Confidence. Central management of the HSE's Property Portfolio is required to develop efficiencies and ensure better VFM with regard to purchases, disposals and the negotiation of leases. All property transactions, both disposals and purchase are as a direct response to service and client needs. The Estates Directorate works closely with the other Directorates to ensure that the Capital Plan aligns with service needs and priorities. The aim of the Capital Plan is to improve patient care and outcomes through provision of high quality, appropriate, and efficient health buildings. National policies and protocols include:

- Protocol for Acquisition & Disposal of Property
- Capital Protocol
- Waste Management Policy and Statement of Principles

A list of the current approved policies is provided in Appendix 7. The full content and detail of these policies and protocols are available on the [HSE Intranet Code of Governance Web Page](#) to view or download

### 8. COMMUNICATIONS

A key objective for the HSE's Communications Directorate from 2010 onward is to work to integrate all inter-related communications functions within the HSE. These communications functions encompasses 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 Directorate is to provide guidance, oversight, and set quality standards to be met by all HSE communications projects, and this oversight will be provided by a new Communications Planning and Resourcing Process.

This process brings together all the HSE functions engaging in communications projects, and will standardise and integrate all of the communications activities of the organisation. This will ensure strategic focus and purpose, increase economies of scale, prevent duplication and waste of valuable resources and allow integration of messages with service provision.

The integration of all communications support for the organisation is now the role of the Communications Resource Planning Group (CRPG) who report to the Communications Resource Steering Group).

A list of the current approved national communications policies is provided in Appendix 7. The CRPG Policies and Procedures are available on the HSE Intranet to view or download [http://hsenet.hse.ie/HSE\\_Central/Communications/crpg/](http://hsenet.hse.ie/HSE_Central/Communications/crpg/)

### 9. PLANNING AND PERFORMANCE REPORTING

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

#### 10.1 Corporate and National Service Plans

The HSE Corporate Plan is a legal requirement (*Section 29; Health Act 2004*) which provides strategic direction for the organisation. The annual National Service Plan is framed within the context of the Corporate Plan and also is a legal requirement (*Section 31; Health Act 2004*). The primary purpose of the *National Service Plan* is to set out how the Vote (budget) allocated to the HSE will be spent in the given year on the type and volume of health and personal social services delivered to the people of Ireland, within the approved employment levels set out by Government. It is implemented at all levels within the organisation through the operational Regional Service Plans and Directorate's Business Plans.

Each manager must be aware of the HSE Corporate Plan, the annual National Service Plan and the specific business plan for their area and acknowledge their responsibility and accountability for developing and implementing that plan.

#### 10.2 Performance Reporting

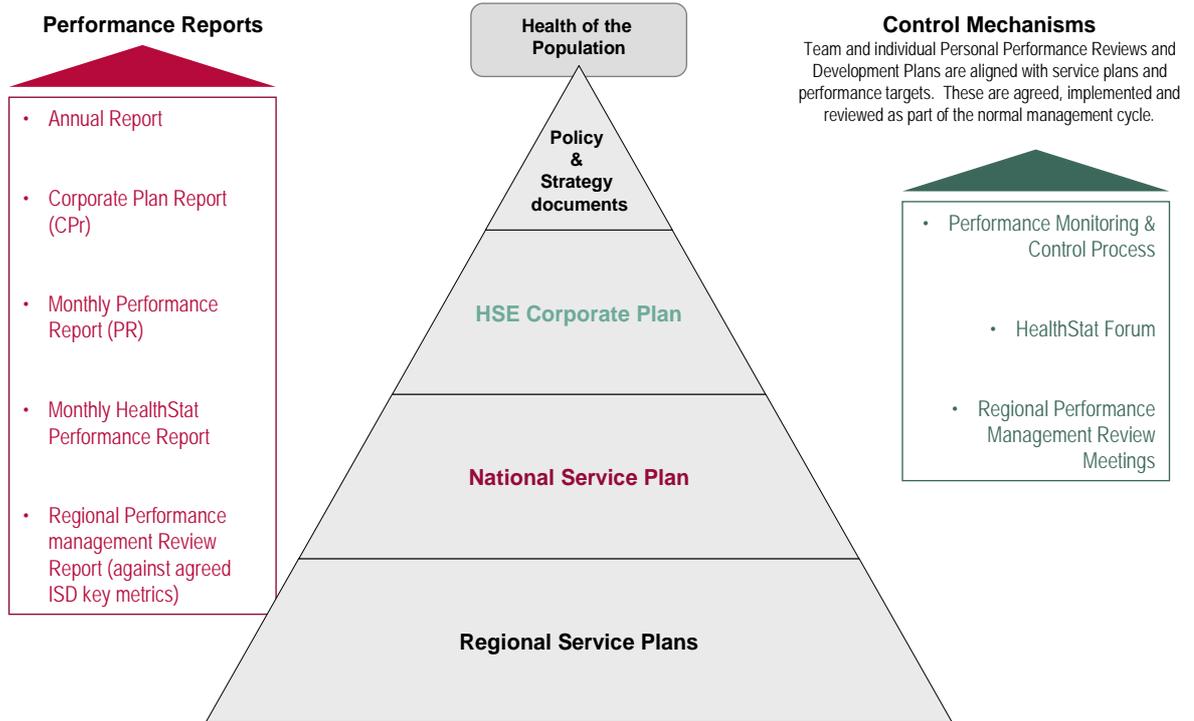
Performance is reported throughout the year via the Performance Report (PR) and the Annual Report which is a legal requirement under Section 37 (*Health Act 2004*).

Performance Reports (PR) are produced monthly. These detailed reports monitor progress against our objectives and targets as set out in the National Service Plan (NSP). The PR provides an overall corporate analysis of key performance data from finance, human resources, acute and primary & community services.

The report is discussed at the Performance Monitoring and Control Committee (PMCC). The report is then issued to the HSE Board for approval. Following approval, the PR is submitted to the DoHC and made publicly available on [www.hse.ie](http://www.hse.ie).

# HSE Code Of Governance

## Planning and Performance Reporting Framework



## PART 4 ASSURANCE FRAMEWORKS

### Chapter 8 Assurance Framework

The Code of Practice for the Governance of State Bodies 2009 sets out the corporate governance responsibilities of the various parties responsible for the successful operation of all state bodies and agencies. There is an obligation on the HSE Board to be satisfied that comprehensive strategies, policies, and procedures comprising the code of governance are in place, are implemented and their effectiveness demonstrated. The Assurance framework provides the HSE with a comprehensive method for providing this assurance to the Board. The HSE Code of Governance has now been reviewed to ensure that it meets with all of the requirements as set out in the Code of Practice for the Governance of State Bodies 2009.

All managers in the HSE have a central role in emphasising the importance of control and must take a visible leadership role in ensuring that there is compliance with the control procedures.

The control framework of the HSE 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 Statement by managers forms part of Level II control.

## HSE Code Of Governance

Inspections undertaken / commissioned by management and reviews/health care audits carried out by the Quality and Patient Safety Directorate also form part of the Level II 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 timely manner. Internal Audit also provides advice to management.

### **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, Irish Medicines Board etc

## APPENDICES

Appendix 1: Disclosure of Interests by Directors of State Bodies

Appendix 2: Members annual compliance certificate

Appendix 3: Ethics in Public Office Acts 1995 and 2001- Designated Directorships - Statement of Interests

Appendix 4: Ethics in Public Office Acts 1995 and 2001- Designated Directorships - Statement of Nil Interests

Appendix 5: Code of Standards and Behaviour

Appendix 6: Policy Statement on Fraud – Information and Guidelines for staff

Appendix 7: List of HSE National HSE Policies, Codes, and Circulars

## HSE Code Of Governance

### Appendix 1: Disclosure of Interests by Directors of State Bodies

The Department of Finance, Code of Practice for the Governance of State Bodies gives guidance on disclosure by Directors. Modified to suit the needs of the HSE this states:

In addition to the legal requirements under the Companies Acts and requirements under the Ethics in Public Office Act 1995, the following procedures should be observed:

- i) On appointment to a Board of the HSE each member should furnish to the Secretary details relating to his/her employment and all other business interests including shareholdings, professional relationships etc., which 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 Board. 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) a spouse, parent, brother, sister, child or step-child;
  - (b) a body corporate with which the member is associated;
  - (c) 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
  - (d) 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.

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.

- ii) Where it is relevant in any matter which arises, 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).
- iii) The Board may exercise discretion regarding the disclosure by members of minor shareholdings. As a general guideline, shareholdings valued at more than €15,000 or more than 5 per cent of the issued capital of a company should be disclosed.
- iv) 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.
- v) Details of the above interests should be kept by the Secretary of the HSE 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. Only the Chairperson, Secretary and Chief Executive Officer of the HSE should have access to the register.
- vi) Should a matter relating to the interests of the Chairperson arise, he/she should depute another Director to chair the Board meeting and should absent himself/herself when the Board is deliberating or deciding on a matter in which the Chairperson or a person or body connected with the Chairperson has an interest.

### HSE Code Of Governance

- vii) Board or HSE documents on any case which relate to any dealings with the above 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 the above interests). Decisions once taken should be notified to the member.
- viii) 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.
- ix) A Director should absent himself/herself when the Board is deliberating or deciding on matters in which that member (other than in his/her capacity as a member of the Board) 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.
- x) 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 Board should determine the question.
- xi) Former Directors should treat commercial information received while acting in that capacity as confidential.
- xii) The procedures set out above should also be adopted in subsidiaries of the HSE.

**Appendix 2: Members annual compliance certificate**

I ..... being a member of the HSE Board for the period from ..... to ..... hereby confirm:

I have read and noted the Terms of Reference of the Board of the HSE as applied during the period under review.

In particular I have complied with the provisions regarding the Code of Standards and Behaviour for Board Members.

I further confirm that I have submitted to the Secretary my declaration of interests statement in accordance with the Ethics Acts 1995 to 2001:

- Appendix 3: Ethics in Public Office Acts 1995 and 2001- Designated Directorships - Statement of Interests, and
- Appendix 4: Ethics in Public Office Acts 1995 and 2001- Designated Directorships - Statement of NIL Interests

whichever is appropriate

Signed.....

Date.....

## HSE Code Of Governance

### Appendix 3: Ethics in Public Office Acts 1995 and 2001- Designated Directorships - Statement of Interests

*Statement of Interests for the purposes of Section 17 of the Ethics in Public Office Act 1995*

<b>Name:</b>	
<b>Title of Directorship held:</b>	
<b>Public Body:</b>	
<b>Date of Appointment:</b>	
<b>Period comprehended by this Statement:</b>	
<b>Address for Correspondence:</b>	

In relation to each of the following registrable interests, you should state any interest, held **by you** and any interests, to your actual knowledge, held **by your spouse, a child of yours, or a child of your spouse**, which could materially influence<sup>1</sup> you in or in relation to the performance of your official functions. **The amount or monetary value of the interests need not be specified.** Explanatory notes on certain of the required statements are attached.

#### 1. OCCUPATIONAL INCOME, ETC.

Details of any remunerated trade, profession, employment, vocation or other occupation (other than the directorship described on the first page of this form), the remuneration from which exceeded €2,600, during the period comprehended by this statement, should be listed here.

Description of Occupation	Business Address
<b><u>Self:</u></b>	
<b><u>Spouse or Child (name):</u></b>	

## HSE Code Of Governance

### 2. SHARES ETC.

Details of any holding of shares in, or bonds or debentures of, or other like investments in, a particular company or other enterprise or undertaking, where the aggregate value of the holding exceeded €13,000 at any time during the period comprehended by this statement, should be listed here<sup>2</sup>.

Type of Holding	Where held	Nature of Business
<u>Self:</u>		
<u>Spouse or Child (name):</u>		

### 3. DIRECTORSHIPS

Details of any directorship or shadow directorship of any company held during the period comprehended by this statement should be listed here<sup>3</sup>.

Type of Directorship	Business Address	Nature of Business
<u>Self:</u>		
<u>Spouse or Child (name):</u>		

## HSE Code Of Governance

### 4. LAND

Details of any interest in land where the value of such interest exceeded €13,000 at any time during the period comprehended by this statement should be listed here, including –

- (i) any contract entered into for the purchase of land, whether or not a deposit or part payment has been made under the contract; and
- (ii) any option held to purchase land, whether or not any consideration has been paid in respect thereof, or land in respect of which such an option has been exercised but has not yet been conveyed<sup>4</sup>.

Property Address	Purpose for which used
<u>Self:</u>	
<u>Spouse or Child (name):</u>	

### 5. TRAVEL, ACCOMMODATION, MEALS, ETC.

Details of travel facilities, living accommodation, meals or entertainment supplied during the period comprehended by this statement, free of charge or at a price that was less than the commercial price or prices, should be listed here<sup>5</sup>.

Full Description	Name and Address of Supplier
<u>Self:</u>	
<u>Spouse or Child (name):</u>	

## HSE Code Of Governance

### 6. OTHER REMUNERATED POSITIONS

Details of any remunerated positions held as a political or public affairs lobbyist, consultant or adviser during the period comprehended by this statement, should be listed here.

Full Description of Position	Name and Address of Person / Company / Organisation
<u>Self:</u>	
<u>Spouse or Child (name):</u>	

### 7. PUBLIC SERVICE CONTRACTS

Details of any contract to which the person concerned was a party, or was in any other way, directly or indirectly interested, for the supply of goods or services to a Minister of the Government, or a public body during the period comprehended by this statement, if the value of the goods or services supplied exceeded €6,500 or, in case other goods or services were supplied under such a contract if the aggregate of their value and the value aforesaid exceeded €6,500, should be listed here.

Description of Contract and Interest	Name and Address of Contractor	Minister / Public Body Concerned
<u>Self:</u>		
<u>Spouse or Child (name):</u>		

## HSE Code Of Governance

### 8. GIFTS, PROPERTY AND SERVICES

Details of:

- (i) any gift given during the period comprehended by this statement<sup>6</sup>;
- (ii) property supplied or lent, or a service supplied to the person, once or more than once by the same person, during the period comprehended by this statement, for a consideration or considerations, or at a price or prices less than the commercial consideration or considerations, or the commercial price or prices, by more than €650; and
- (iii) property lent, or a service supplied to the person, once or more than once by the same person, during the period comprehended by this statement, free of charge if the commercial consideration or considerations, or the commercial price or prices was, or were more than €650<sup>7</sup>; should be listed here<sup>8</sup>.

Full Description of Gift, Property and/or Service	Name and Address of Benefactor, Supplier and/or Lender
<u>Self:</u>	
<u>Spouse or Child (name):</u>	

### 9. OTHER INTERESTS

In line with the provisions of Section 30 of the Ethics in Public Office Act 1995, voluntary statements in respect of any interests not specified in the Second Schedule to that Act (i.e., other than those specified at 1. to 8. above), and which are held by **you or your spouse, or a child of yours or your spouse**, may be listed here if it is considered that such interests could materially influence you in or in relation to the performance of your official duties.

<u>Self:</u>
<u>Spouse or Child (name):</u>

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

## HSE Code Of Governance

### NOTES relating to Appendix 3: Ethics in Public Office Acts 1995 and 2001 – Designated Directorships – Statement of Interests

- <sup>1</sup> which could materially influence you in or in relation to the performance of the functions of the directorship by reason of the fact that such performance could so affect those interests as to confer on or withhold from you or your spouse or child of yours or child of your spouse a substantial benefit.
- <sup>2</sup> "holding" does not include money in a current, deposit or other similar account with a financial institution.
- <sup>3</sup> "shadow directorship" means the position held by a person who is a shadow director within the meaning of the Companies Acts 1963 to 1990, or, in the case of a public body that is not a company (within the meaning of the Companies Acts 1963) and is specified in subparagraph (8), (9), (10), (11), or (12), or stands prescribed for the purposes of subparagraph (13), of paragraph 1 of the First Schedule to the Ethics in Public Office Act 1995, the position held by the person in accordance with whose instructions or directions, the members of the body, or the members of the Board or other body that controls manages or administers that body, are accustomed to act.
- <sup>4</sup> but excluding any interest in land consisting of any private home of the person or of his or her spouse, that is to say, a building or part of a building that is occupied by the person, or his or her spouse, or a child of the person, or of the spouse, as a separate dwelling and any garden or other land usually occupied with the dwelling, being land that is subsidiary or ancillary to it, is required for its amenity or convenience and is not being used or developed primarily for commercial purposes.
- <sup>5</sup> but excluding:
- (a) travel facilities, living accommodation, meals or entertainment provided
    - (i) within the State, or
    - (ii) in the course and for the purpose of:
      - the performance of the functions of the person as a holder of a designated directorship, or
      - the trade, profession, employment, vocation or other occupation of the person (other than current position);
  - (b) travel facilities, living accommodation, meals or entertainment supplied to the person by a relative or friend of the person, or of his or her spouse, or of a child of the person or of his or her spouse, where such supply was in the nature of a gift to the person and for personal reasons only, unless the acceptance of such facilities, accommodation, meals or entertainment might reasonably be seen to have been capable of influencing him or her in the performance of his or her functions as a holder of a designated directorship;
  - (c) travel facilities, living accommodation, meals or entertainment supplied to the person, once or more than once by the same person during the period

## HSE Code Of Governance

comprehended by this statement, free of charge if the commercial price, or the aggregate of the commercial prices, of the facilities, accommodation, meals or entertainment did not exceed €650; or

- (d) travel facilities, living accommodation, meals or entertainment supplied to the person, once or more than once by the same person during the period comprehended by this statement, at a price or prices less than the commercial price or prices by not more than €650.

6 but excluding:

- (i) a gift to the person by a relative or friend of the person or of his or her spouse, or of a child of the person or of his or her spouse, for purely personal reasons only, unless the acceptance of the gift by the person could have materially influenced him or her in the performance of his or her functions as a holder of a designated directorship; and
- (ii) a gift given to the person, or gifts given to the person by the same person, during the period comprehended by the statement, as respects which the value, or the aggregate value, of the property the subject of the gift or gifts did not exceed €650 at any time during the period comprehended by the statement.

7 other than property supplied or lent, or a service supplied to a person by a relative or friend of the person, or of his or her spouse, or of a child of the person or of his or her spouse, where such supply or loan was in the nature of a gift to the person and for personal reasons only, unless the acceptance of the property or loan or the service by the person could have materially influenced him or her in the performance of his or her functions as a holder of a designated directorship.

8 insofar as services in (ii) and (iii) relate to legal or medical services (including psychiatric or psychological services), it is only necessary to state that such services were supplied to you or to a person (who need not be identified) in respect of whom you are required to make a statement.

### ETHICS IN PUBLIC OFFICE ACT 1995 SECTION 17

Designated 17.—(1) A person who holds or held a designated directorship of a public body specified in *subparagraphs (8) to (12)*, or standing directorships. prescribed under *subparagraph (13)*, of *paragraph 1* of the *First Schedule*—

( a ) shall, subject to *section 20 (3)*, in each year during any part of which he or she holds or held the directorship, prepare and furnish to the Commission and to such officer of the body as may be determined by the Minister a

statement in writing of—

- (i) the interests of the person, and
- (ii) the interests of which he or she has actual knowledge of his or her spouse or a child of the person or of his or her spouse, during the appropriate period specified in *section 20*

### HSE Code Of Governance

- (1) which could materially influence the person in or in relation to the performance of the functions of the directorship by reason of the fact that such performance could so affect those interests as to confer on or withhold from the person or the spouse or child a substantial benefit, and
- ( b ) in any case where such a function, or a function of any other office or position held by the person in that public body, falls to be performed and he or she has actual knowledge that he or she or a connected person has a material interest in a matter to which the function relates—
- (i) shall, as soon as may be, prepare and furnish to the other directors of the body a statement in writing of those facts,
  - (ii) shall not perform the function unless there are compelling reasons requiring him or her to do so, and
  - (iii) shall, if he or she proposes to perform the function, prepare and furnish to the other directors of the body and to the Commission, before or, if that is not reasonably practicable, as soon as may be after such performance, a statement in writing of the compelling reasons aforesaid.
- (2) There shall be deemed to be included in the terms on which a person holds a designated directorship referred to in *subsection (1)* a term that the person shall comply with that subsection.

## HSE Code Of Governance

### Appendix 4: Ethics in Public Office Acts 1995 and 2001- Designated Directorships - Statement of NIL Interests

#### for the purposes of Section 17 of the Ethics in Public Office Act 1995

<b>Name:</b>	
<b>Title of Directorship held:</b>	
<b>Public Body:</b>	
<b>Date of Appointment:</b>	
<b>Period<sup>1</sup> Covered by this Statement:</b>	
<b>Address for Correspondence:</b>	

I hereby state that, in respect of the period covered by this statement, there are no interests, as specified in the Ethics in Public Office Act 1995, of my own, or, to my actual knowledge, of a spouse or child, which could materially influence me in, or in relation to, the performance of the functions of the position described above.

I am also aware of the obligations placed on me by Section 17(1)(b) of the Ethics in Public Office Act 1995<sup>2</sup> (see below).

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_

1 Standard registration year (1 January to 31 December) or any part thereof.

2 17(1)(b) in any case where such a function [of the directorship], or a function of any other office or position held by the person in that public body, falls to be performed and he or she has actual knowledge that he or she or a connected person has a material interest in a matter to which the function relates [he or she]—

- (i) shall, as soon as may be, prepare and furnish to the other directors of the body a statement in writing of those facts,
- (ii) shall not perform the function unless there are compelling reasons requiring him or her to do so, and
- (iii) shall, if he or she proposes to perform the function, prepare and furnish to the other directors of the body and to the Commission, before or, if that is not reasonably practicable, as soon as may be after such performance, a statement in writing of the compelling reasons aforesaid.



Feidhmeannacht na Seirbhíse Sláinte  
Health Service Executive

## Codes of Standards and Behaviour

# HSE Code Of Governance

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## HSE Code Of Governance

### 1. Introduction

The philosophy of the HSE is one of loyal and impartial service for the benefit of the state and the people of Ireland. To work in the public service is to work for the common good. The traditional values of the public service - honesty, impartiality and integrity - are about serving this common good. Standards of probity are high and must be maintained. These values must be the basis for the official actions of employees.

This Code of Standards and Behaviour for the HSE was introduced in accordance with section 25(3) of the Health Act 2004 and the Ethics in Public Office Acts 1995 to 2001 and applies to all employees of the HSE, organisations funded by the HSE and suppliers of service. The development of a new code recognises explicitly that, within the major modernisation programme which is currently underway in the HSE, there is a need to restate and promote core public service values so as to marry the best of the old with the new. New systems for providing quality customer service, for devolving responsibility to departments/offices and managers, for managing performance and for using information technology are all posing challenges to existing policies and practices.

Changes to the regulatory environment will also have a major impact on the way the HSE operates. To get the best from the new ways of doing business, they have to be grounded in a public service ethos which sets out clearly the standards expected and ways in which employees will achieve them. To underpin the change process, an integrated approach to the values, standards and behaviour of employees is now being adopted through this HSE Code. The Code of Standards and Behaviour sets out a clear framework within which employees must work. It sets out in a single document the principles which should govern the behaviour of employees and the values which the HSE espouses. It builds on the principles set out in "The Ombudsman's Guide to Standards of Best Practice for Public Servants". It is not intended to be an exhaustive list of guidelines for all possible eventualities. Individual departments and offices, and bodies funded by the HSE, will wish to provide additional guidance as appropriate for their own staff relevant to their own particular circumstances.

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

Board members are expected to comply with the spirit of this code, recognising that they will have outside interests. Separate guidance is given to board members in the Terms of Reference of the HSE Board.

The Code will be kept under review by the Human Resources Directorate and the HSE Audit Committee will approve any amendments as required.

This Policy is part of a suite of policies and should be read in conjunction with:

- Policy on Good Faith Reporting
- Policy on Fraud

## HSE Code Of Governance

### 2. The HSE Code of Standards and Behaviour - An Overview

#### 2.1 The Code in Context

Employees can be justly proud of the high standards of conduct which have characterised their service to the public over many years and enabled them to carry out the mission of the HSE. The HSE Code of Standards and Behaviour is an important element of the overall framework within which all employees are expected to work. It sets out the standards required of employees in the discharge of their duties. These standards of behaviour and values will support a high quality public service, based on high levels of personal performance and responsibility.

#### 2.2 Main features of the Code

In the performance of their duties employees must:

- (a) Maintain high standards in service delivery by:
  - discharging responsibilities conscientiously, honestly and impartially;
  - always acting within the law; and
  - performing their duties with efficiency, diligence and courtesy.
  
- (b) Observe appropriate behaviour at work by:
  - dealing with the public sympathetically, fairly and promptly; and
  - treating their colleagues with respect.
  
- (c) Maintain the highest standards of probity by:
  - conducting themselves with honesty, impartiality and integrity;
  - never seeking to use improper influence, in particular, never seeking to use political influence to affect decisions concerning their official positions;
  - abiding by guidelines in respect of offers of gifts or hospitality; and
  - avoiding conflicts of interest.
  
- (d) Support and be loyal to the HSE by:
  - supporting colleagues and the HSE in the performance of its functions;
  - promoting the goals and objectives of the HSE and not undermining any of them through action or omission.
  - seeking to resolve grievances and concerns through agreed channels (this includes The Good Faith Reporting Policy code and the provisions in the Health Act 2007 which would be external channels).
  - ensuring any actions taken maintain public confidence in the HSE and its good name

### 2.3 Application of the Code

The provisions of the Code relate to employees directly employed, whether in a permanent or temporary capacity, by the HSE (as defined under Section 22 of the Health Act, 2004). Employees of agencies funded by the HSE and those engaged in any capacity to provide services or advice to, or on behalf of the HSE and its funded agencies on a consulting basis are also expected to meet the standards set out in this code. The requirements in relation to confidentiality will also apply upon retirement/resignation.

The Code forms part of the terms of employment of all employees. Employees are expected to comply with the Code at all times. Breaches of the code will constitute a breach of the terms of employment and may result in disciplinary action being pursued in accordance with agreed procedures. The terms and conditions of existing employees will be updated using the agreed HR processes. Each new employee will receive a copy of the Code. An employee can obtain clarification on any aspect of the Code from the HR Department and induction processes will include instructions on the provisions of the Code.

### 3. Requirements of the Code

- (a) Employees cannot be members of either House of the Oireachtas or the European Parliament.

An employee, who is or becomes a member of either House of the Oireachtas, or the European Parliament, is immediately seconded from employment with the HSE until they cease to be a member (section 22 of the Health Act 2004). A person who is or becomes a member of either House of the Oireachtas, the European Parliament or a local authority is not eligible for appointment as a board member or Chief Executive Officer. In addition, a member of either House of the Oireachtas or the European Parliament is not eligible for appointment as an employee of the HSE (sections 11, 17 and 27 of the Health Act 2004).

- (b) Employees must be impartial in the performance of their duties.  
It is each employee's responsibility to carry out his/her duties in a party political neutral manner. Public political activities should not, under any circumstances, be undertaken in paid HSE hours by any employee.

Employees should ensure that views expressed by them or actions taken related to their public political activities are not presented or interpreted as official comment on behalf of the HSE, but that they are their own or those of the political organisation they are representing. Neither should such views or actions compromise their due of loyalty to the HSE (see paragraph 2.2 (d) above).

An employee may, in his/her role as a trade union representative, make a statement in that capacity, but will ensure that such a statement is not presented as official comment on behalf of the HSE.

- (c) Employees must respect the constraints of the law.
- (d) Employees must not improperly disclose, during or following termination of employment, information gained in the course of their work.

## HSE Code Of Governance

Employees may have access to or hear information concerning the medical or personal affairs of clients and/or employees, or other health service business. Such records and information are strictly confidential and can only be divulged or discussed in the performance of normal duty. Disclosure of records or information under various statutory provisions (e.g. Freedom of Information Acts 1997 and 2003; Data Protection Acts 2001 and 2003; the Health Acts 1947 to 2009) will be made in accordance with HSE policies, procedures and protocols.

- (e) Employees must maintain high standards of service in all of their dealings with the public.
- (f) Employees who are convicted of criminal offences, or given the benefit of the Probation Act when tried for a criminal offence, must report that fact to the HSE. The employee must make such a report to his/her supervisor (who, in turn, will advise the Area Director of Human Resources) or directly to the Area Director of Human Resources.
- (g) Employees must attend at work as required and comply with the terms of sick leave regulations.
- (h) Employees are required to have due regard for State resources to ensure proper, effective and efficient use of public money.
- (i) Employees should show due respect to their colleagues including respecting their beliefs and values.
- (j) The use of their official positions by employees to benefit themselves or others with whom they have personal or business ties is not allowed. Employees are also forbidden to seek to influence decisions on matters pertaining to their official positions other than through established procedures.
- (k) Employees may not engage in outside business or activity which would in any way conflict with the interests of their departments/offices. Employees shall not accept an appointment, or particular consultancy project, where the employees concerned believe that the nature and terms of such appointment could lead to a conflict of interest or the perception of such, without first obtaining the approval of their Human Resources Department.
- (l) Employees should not receive benefits of any kind from a third party which might reasonably be seen to compromise their personal judgement or integrity. All gifts and benefits received must be disclosed to the employee's superior and may only be retained if they are of nominal value and do not compromise personal judgement or integrity.
- (m) Employees should not accept hospitality of any kind from a third party which might reasonably be seen to compromise their personal judgement or integrity. Within the general framework of guidelines set out in the Code, every care must be taken to ensure that:
  - (i) any acceptance of hospitality does not influence, or is seen to influence, the discharging of official functions. Any hospitality received should be of nominal value and must be immediately disclosed to the employee's superior; and

### HSE Code Of Governance

- (ii) that there are clear and appropriate standards in place which have been notified to all employees in relation to payment for work on behalf of outside bodies.
- (n) Employees must not seek contracts with government departments or offices for supply of goods or services whether for their own benefit or for the benefit of any company with which they may have an involvement in a private capacity, unless specifically sanctioned by the CEO of the HSE.

#### 4. Summary responsibilities

<b>All</b>	<b>To expect to be dealt with properly, fairly, openly, and impartially at all times and if not to make an appropriate report.</b>
<b>Employees</b>	<b>To go about their duties in a way that is consistent with this Code.</b>
<b>Line Managers</b>	<b>To ensure that all employees are made aware of this Code, To lead by example and take seriously any breaches that are brought to their attention.</b>
<b>Human Resources</b>	<b>To provide appropriate guidance on this Code, and act appropriately upon any reported breaches. To propose updates to the Code when required.</b>
<b>Internal Audit</b>	<b>To include a review of the operation of this Code as part of: (a) its overall Governance review and (b) its regular operational reviews.</b>
<b>Audit Committee</b>	<b>To approve this Code (and its updates), receive reports on compliance and report to the board on its operation.</b>



Feidhmeannacht na Seirbhíse Sláinte  
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## **Policy Statement on Fraud**

### ***Information and Guidelines for Staff***

### Contents

#### Section

1. Foreword
2. Policy
3. Definitions of Fraud
4. HSE Responsibilities
5. Line Managers' Responsibilities
6. Employees Responsibilities
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9. Employee Support
10. DOs & DON'Ts
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## HSE Code Of Governance

### 1. Foreword

The HSE requires all employees at all times to act honestly and with integrity and to safeguard the public resources for which the HSE is responsible.

Fraud is an ever-present threat to these resources and hence must be a concern to all employees and persons employed in a similar capacity. Fraud may occur internally or externally and may be perpetrated by staff, patients, service users, suppliers, contractors or development partners, individually or in collusion with others.

The purpose of this document is to set out employees' responsibilities with regard to fraud prevention, what to do if fraud is suspected and the action that will be taken by management.

This Policy is part of a suite of policies and should be read in conjunction with:

- Code of Standards and Behaviour
- Policy on Good Faith Reporting

The Department of Health Circular "Procedures in cases of Fraud or Theft by Employees of Health Boards" ref S10/1986 dated 25th July 1986 should also be read in conjunction with this policy

The Policy will be reviewed triennially or sooner if required. The HSE Audit Committee will approve any amendments as required.

### 2. Policy

The HSE through its Corporate Governance regime endeavours to achieve openness, transparency and accountability by establishing best practice by carrying out risk management reviews and regular monitoring of activities and functions thus creating an environment that deters fraud. All cases of fraud or suspected fraud will be investigated immediately. Recovery of losses arising from fraud will be pursued. Disciplinary action will be taken against employees involved in fraud and action may also be taken against employees whose negligence through lack of supervision and control may have facilitated the event.

The HSE considers that the exposure and prosecution of persons wilfully defaulting or attempting to default with public monies or property is essential in the public interest as a deterrent and will report all such cases to the Gardai when discovered.

The HSE is determined that the culture and tone of the organisation will continue to be one of honesty and opposed to fraud and corruption.

### 3. Definitions of Fraud

The term fraud is used to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion.

For practical purposes **fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party**. The criminal act is the attempt to deceive and attempted fraud is, therefore, treated as seriously as accomplished fraud.

Computer fraud is where information technology equipment has been used to manipulate programs or data dishonestly (for example, by altering, substituting or destroying records, or creating spurious records), or where the use of an IT system was a material factor in the perpetration of fraud. Theft or fraudulent use of computer time and resources is included in this definition. These issues are dealt with in the HSE Information Security policy.

### 4. HSE Responsibilities

The HSE is committed to the highest standards of openness and accountability in all processes. The role of management in developing and monitoring a risk managed framework in the organisation which would reduce the likelihood of fraud is crucial to the effectiveness of the framework that will be put in place.

It is the responsibility of the HSE to:

- ensure it has suitable policies and practices in place to safeguard itself against fraud and theft;
- ensure that it communicates its policy on fraud to employees in a formal policy statement;
- ensure that an annual report on fraud and theft is prepared for the consideration of the Audit Committee and the board;
- carry out vigorous and prompt investigations if fraud occurs;
- take appropriate legal and/or disciplinary action against perpetrators of fraud; and
- take disciplinary action against managers and supervisors where their failures have contributed to the commissioning of fraud.

The Chief Executive Officer of the HSE carries overall responsibility for the prevention of fraud, and is liable to be called to account by the board and the Oireachtas (via the Public Accounts Committee) for specific failures. However, the above responsibilities fall directly on line management and may involve all HSE employees.

### 5. Line Managers' Responsibilities

Line managers are expected to set example by complying fully with procedures and controls.

The day to day responsibility for the prevention and detection of fraud rests with line managers who are responsible for:

- identifying the risks to which systems, operations and procedures are exposed;
- developing and maintaining effective controls to prevent and detect fraud;
- ensuring that controls are being complied with;
- providing induction and regular training for employees involved in internal control systems to ensure that their responsibilities are regularly highlighted and reinforced;
- ensuring the rotation of employees where possible and necessary;
- ensuring that new staff are security vetted satisfactorily;
- ensuring that staff have satisfactorily completed probationary periods;
- ensuring that staff are aware of this Policy, and other relevant policies, including the Code of Standards and Behaviour;
- ensuring that staff are specifically reminded of the requirement for compliance with HSE confidentiality procedures on an annual basis.

All reports of fraud or suspected fraud must be taken seriously. Where a member of staff alerts a line manager to possible fraud the following steps should be taken by the line manager:

- Act quickly to minimise any losses.
- Bear in mind that it is only an allegation until outcome of investigation is known.
- Preserve any evidence and move it to a safe location where practicable.
- Notify Internal Audit and Finance.
- Carry out a vigorous and prompt investigation and report findings immediately to Internal Audit and Finance.
- Inform, if possible, the person who made the initial report of what is happening.
- Notification to the Gardai must be carried out by the line manager following consultation with an executive of the HSE at Assistant National Director level.

### 6. Employees Responsibilities

Every employee has a responsibility to:

- Ensure that public funds/assets that are entrusted to them are safeguarded.
- Comply with the HSE Code of Standards and Behaviour..
- Comply with HSE National Financial Regulations.
- Inform their line manager of any gifts/hospitality offered (see Code of Standards and Behaviour).
- Inform their line manager of any outside interests that may conflict or impinge on their duties.
- Alert line managers to weaknesses in the control system.
- Alert line managers and/or the National Director of Internal Audit to fraud or suspected fraud.
- Assist in any investigation that may arise in respect of fraud or suspected fraud

If for any reason it is not possible or appropriate to inform your line manager, the Internal Audit Department should be contacted directly or the Good Faith Reporting Hotline (see Good Faith Reporting Policy) (01-6626984) should be used.

### **7. Internal Auditor's Responsibilities**

Internal audit provides reasonable assurance to management that the organisation's significant risks are being appropriately managed with an emphasis on internal controls and governance processes by:

- Promoting procedure manuals which identify controls which should be in place
- Providing clear recommendations where control weaknesses have been identified
- Ensuring risk management and systems of controls are continually being monitored by departments in response to a constantly changing environment
- Ensuring audit work takes account of the possibility of fraud

The reviews undertaken by Internal Audit will be prioritised to reflect the levels of potential risks to the organisation and the frequency of reviews will be dependent on resources available to the audit unit.

### **8. Human Resources Responsibilities**

A key preventative measure to deter fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential employees in terms of their propriety and integrity.

Human Resources:

- Issue appropriate rules of conduct on appointment
- Provide written disciplinary procedures that address fraudulent and corrupt acts
- Ensure employment policies, including those regarding fraud and guidance on acceptable internet and email usage, are included in induction checklists for employees at all levels
- Support managers in monitoring turnover and leave patterns of employees
- Provide updates on this and other relevant employment policies, including codes of conduct.

### **9. Employee Support**

It is not uncommon for an employee, who works closely with a suspected perpetrator of fraud to feel a sense of responsibility for what happened and feel the need for support from their employer as a result. Often there is a feeling of shock and disappointment that a person in whom trust was placed has deceived those around him/her.

In these circumstances, the HSE's employee assistance programmes may provide help, advice and support on a confidential basis. Such services may be accessed through the Area HR Department or HR shared services.

**10. In cases of suspected fraud**

<b>DO</b>	<b>DON'T</b>
<b>Make a note of your concerns</b>	<b>Be afraid of raising your concerns</b>
<ul style="list-style-type: none"> <li>Record all relevant details, such as the nature of your concern, the names of parties you believe to be involved, details of any telephone or other conversations with names dates and times and any witnesses.</li> <li>Ensure that notes are timed, signed and dated.</li> </ul>	<ul style="list-style-type: none"> <li>The Law provides protection for staff who raise reasonably held concerns through the appropriate channels.</li> <li>You will be positively applauded as a result of following these procedures and the matter will be treated sensitively and confidentially.</li> <li>Timeliness is most important. Don't delay writing up all relevant details, as the longer the delay the greater the chance of recollection becoming distorted, thereby weakening the case.</li> </ul>
<b>Retain any evidence you may have</b>	<b>Convey your concerns to anyone other than authorised persons</b>
<ul style="list-style-type: none"> <li>The quality of evidence is crucial and the more direct and tangible the evidence, the better the chances of an effective investigation. Evidence should be retained securely.</li> </ul>	<ul style="list-style-type: none"> <li>There may be a perfectly reasonable explanation for the events that give rise to your suspicion. Spreading unsubstantiated concerns may harm innocent persons.</li> </ul>
<b>Report your suspicions promptly</b>	<b>Approach the person you suspect or try to investigate the matter yourself</b>
<ul style="list-style-type: none"> <li>In the first instance, report your suspicions to your line manager or appropriate senior manager. If this action would be inappropriate, report your concerns to Internal Audit/Head of Quality and Risk/Finance.</li> </ul>	<ul style="list-style-type: none"> <li>There are special rules relating to the gathering of evidence for use in criminal cases. Any attempt to gather evidence by persons who are unfamiliar with these rules may destroy the case.</li> </ul>

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### 11. Contact details to notify Finance and Internal Audit of suspected fraud

	Internal Audit		Finance	
	National Director – Internal Audit	01-8717042	National Director - Finance	045-882563
	AND-Internal Audit	044 - 9395560	AND-Finance West	091-775441
			AND- Finance DML	045-880418
			AND Finance - DNE	01-8131893
			AND-Finance South	021-4923614
	Internal Audit Offices -		Finance Offices	
HSE DML	Dublin	01-6038900	- Naas	045-880418
HSE DML	- Tullamore	To be inserted	- Tullamore	045-880418
HSE DML	- - Bray	To be inserted	- Bray	045-880418
HSE WEST	-Limerick	To be inserted	-Limerick	091-775441
HSE WEST	-Galway	To be inserted	-Galway	094-775441
HSE WEST	-Sligo	To be inserted	- Manorhamilton	094-775441
HSE DNE	-Kells	To be inserted	-Kells	01-8131893
HSE DNE	-Kilkenny	To be inserted	- Swords	01-8131893
HSE SOUTH	-Cork	To be inserted	-Cork	021-4923614
HSE SOUTH	-PCRS	To be inserted	- Kilkenny	021-4923614

#### Contact details

Corporate Employee Relations Services  
 Human Resources Directorate  
 63-64 Adelaide Road  
 Dublin 2

01 662 6966

Appendix 7

**List of National HSE Policies, Codes, Circulars**

*This list is not exhaustive and is subject to change in line with legislative provisions, best practice, and other requirements*

Directorate	Policies, Circulars and Codes
<b>HUMAN RESOURCES</b>	<ul style="list-style-type: none"> <li>– Code of Standards and Behaviour</li> <li>– Policy Statement on Fraud</li> <li>– Dignity at Work Policy</li> <li>– Disciplinary Procedure for Employees of the HSE</li> <li>– Equal Opportunity aspects of Recruitment, Selection and Promotion</li> <li>– Equal Opportunity/Diversity Strategy and Policy Objectives</li> <li>– Framework for Dispute Resolution in the health services</li> <li>– Grievance Procedure</li> <li>– Managing Attendance Policy &amp; Procedure</li> <li>– National Transfer Policy</li> <li>– Pandemic Absence Sick Leave Reporting Procedure</li> <li>– Policy on the Management of Professional Registers and Amendments to such Registers – Jan 2010</li> <li>– Procedures on Protected Disclosures of Information</li> <li>– Term Time Leave Policy (superseded by the shorter working year scheme for some grades)</li> <li>– Trust in Care Policy</li> </ul>
<b>FINANCE</b>	<ul style="list-style-type: none"> <li>– NFR-01 Purchase to Pay</li> <li>– NFR-02 Policies and Procedures Guide for Completion of the Annual Financial Statements</li> <li>– NFR-03 Payroll</li> <li>– NFR-04 Payroll Overpayments and Underpayments</li> <li>– NFR-05 Travel and Subsistence</li> <li>– NFR-06 Fixed Assets and Capital Accounting</li> <li>– NFR-07 ICT Funding and Approval</li> <li>– NFR-08 Retention of Financial Records</li> <li>– NFR-09 Engagement and Management of Consultants</li> <li>– NFR-10 Credit Card and Procurement Cards</li> <li>– NFR-11 Efficient Deployment of Resources</li> <li>– NFR-13 Cash and Bank</li> <li>– NFR-14 Financial Management in Community Residences</li> <li>– NFR-15 Other Staff Costs</li> <li>– NFR-16 Value Added Tax</li> <li>– NFR-17 Voluntary Donations, Gifts and Bequests</li> <li>– NFR-18 Protecting the HSE's Interest</li> <li>– NFR-19 Inventory control</li> <li>– NFR-20 Emergency Response</li> <li>– NFR-21 Medical Consultants' Private Practice</li> <li>– NFR-22 Patient Private Property</li> <li>– NFR-23 Due Diligence Investigations.</li> </ul>
<b>QUALITY AND PATIENT SAFETY</b>	<ul style="list-style-type: none"> <li>– Integrated Risk Management Policy</li> <li>– Good Faith Reporting Policy</li> <li>– Quality and Risk Management Standard</li> <li>– HSE Incident Management Policy and Procedure + Toolkit of Documentation to Support HSE Incident Management</li> </ul>

## HSE Code Of Governance

	<ul style="list-style-type: none"> <li>- Serious Incident Management – Policy and Procedure</li> <li>- HSE Procedure for Escalation of Risks and Incidents</li> <li>- Developing and Populating a Risk Register: Best Practice Guideline</li> <li>- Business Continuity Management Policy</li> <li>- Business Continuity Management: Guidance for Policy Implementation</li> <li>- HSE Procedure for developing Policies, Procedures, Protocols and Guidelines</li> <li>- Medical Devices/Equipment Management Policy: incorporating the medical devices standard.</li> <li>- Medical Devices/Equipment Management, compliance with the HSE’s medical devices and equipment management standard: guidance for service areas</li> <li>- Best Practice Guidance for Developing a Site Specific Safety Statement</li> <li>- Health Service Executive Code of Practice for Decontamination of Reusable Invasive Medical Devices</li> <li>- Health Service Executive Code of Practice for Decontamination of Reusable Invasive Medical Devices. Recommended Practices for Endoscopy Units</li> <li>- Health Service Executive Code of Practice for Decontamination of Reusable Invasive Medical Devices. Recommended Practices for Central Decontamination Units</li> <li>- Health Service Executive Code of Practice for Decontamination of Reusable Invasive Medical Devices. Recommended Practices for Central Dental Decontamination Units</li> </ul>
<b>ADVOCACY AND CUSTOMER CARE</b>	<ul style="list-style-type: none"> <li>- Your Service Your Say’: Policy and Procedures for the Management of Consumer Feedback to include Comments, Compliments and Complaints</li> <li>- Strategy for Service User Involvement in the Irish Health Service 2008 -2013</li> </ul>
<b>ICT</b>	<ul style="list-style-type: none"> <li>- Information Security Policy</li> <li>- I.T. Acceptable Use Policy</li> <li>- Electronic Communications Policy</li> <li>- Encryption Policy</li> <li>- Password Standards Policy</li> <li>- Mobile Phone Device Policy</li> <li>- Access Control Policy</li> <li>- Remote Access Policy</li> <li>- Data Protection Breach Management Policy</li> <li>- Internet Content Filter Standard</li> <li>- Third Party Network Access Agreement</li> <li>- Service Provider Confidentiality Agreement</li> </ul>
<b>PROCUREMENT</b>	<ul style="list-style-type: none"> <li>- HSE Procurement Policy</li> <li>- Standard Terms &amp; Conditions of Contract</li> <li>- Supplier Charter</li> </ul>
<b>ESTATES</b>	<ul style="list-style-type: none"> <li>- Protocol for Acquisition &amp; Disposal of Property</li> <li>- Capital Protocol</li> <li>- Waste Management Policy and Statement of Principles</li> </ul>
<b>COMMUNICATIONS</b>	<ul style="list-style-type: none"> <li>- Staff Guide Parliamentary Affairs</li> <li>- FOI</li> </ul>

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### Contact details:

Dara Purcell  
Secretary to the Board of the HSE  
Dr Steevens' Hospital,  
Dublin 8,

Phone: 01 6352 877  
Fax: 01 6352 898  
Email: [dara.purcell@hse.ie](mailto:dara.purcell@hse.ie)  
Website: [www.hse.ie](http://www.hse.ie)