



**HEALTH SERVICE
EXECUTIVE**

**Management Controls
Handbook**

2024

Foreword

As a HSE manager,^[1] you have a critical leadership role to play in ensuring that we are meeting our organisational governance and accountability obligations and delivering services in an effective and safe manner. The purpose of this **Management Controls Handbook** is to set out the overall framework for governance and control within our organisation and to support you in facilitating improved management and control within your areas of responsibility. In addition and most importantly, the handbook specifies your individual responsibility as a manager to perform your management role in accordance with the HSE's governance, internal controls and risk management policies and systems.

The HSE Board as the governing body of the HSE and I, as Chief Executive Officer (CEO) and the Accountable Officer, each have responsibilities for the control systems of the HSE. I also have a responsibility to review the effectiveness of our control systems and assurance arrangements throughout the organisation. While the governance, risk and controls framework sets the context for all staff and service providers you, as a manager, have been delegated and/or assigned specific authority in relation to our health and social care services, whether this be planning, organisation, delivery or a combination of these.

In my role as CEO, I rely on you to be responsible and accountable for the tasks that are assigned to you and to exercise this authority in compliance with the governance, risk and control framework which the HSE has adopted. In order that I can carry out my responsibilities in respect of control, all managers are required to provide me with ongoing assurance in this regard. The delivery of our wide range of health and social care services, relies on you to do the right things consistently, day in day out, to fulfil and further the objectives and values of the HSE.

Bernard Gloster
Chief Executive Officer

September 2024

^[1] Any employee who is charged with making decisions on a service and its related expenditure, leading people and delegating authority in order to accomplish the goals of the HSE.

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1: Background

The Board of the Health Service Executive (the “**Board**”) is the governing body of the Health Service Executive (HSE), accountable to the Minister for Health and the Minister for Children, Equality, Disability, Integration and Youth for the performance of its functions, with the Chief Executive Officer accountable to the Board, as set out in the Health Act 2004 (as amended).

The HSE’s mission is to ensure that the People in Ireland:

- are supported by health and social care services to achieve their full potential
- can access safe, compassionate and quality care when they need it
- can be confident that we will deliver the best health outcomes and value through optimising our resources

To support the achievement of its mission, the Board has identified key priorities, which include:

- Developing and implementing an effective Corporate Governance Framework, incorporating clinical governance, and a performance management and accountability system.
- Developing a plan for building public trust and confidence in the HSE and the wider Health Service.
- Ensuring the HSE’s full support for and implementation of the Government’s programme of health reform as set out in the Sláintecare Implementation Strategy.
- Exercising effective budgetary management, including improving the value achieved with existing resources and securing target savings, with the objective of delivering the National Service Plan within Budget.

In accordance with the **Code of Practice for the Governance of State Bodies (2016)**, the Board of the HSE is required to complete a formal annual review of the effectiveness of the system of internal control in place across the HSE to support the achievement of these priorities

The findings of the review inform the textual content of the Chairman’s Statement on Internal Control in the HSE’s Annual Report. As a manager, you are required to participate in some of the key components of this review. This process includes all Grade VIII’s /equivalent salary grades and above and any staff member whose assurance is required by their manager to provide assurance on controls in place.

The formal review requires the completion of an Internal Controls Questionnaire (ICQ) by all Managers and staff whose assurance is required by their manager to provide assurance on controls. The review requests participants to confirm their awareness of the various policies that apply to staff working across the HSE and includes a requirement to complete a Controls Assurance Statement (CAS) and Statement of Positions held.

Of primary importance to the effective operation of any system of internal control is the extent to which you as a Manager are clear with regard to the control issues identified in your internal control reviews (and reported in your risk register), and your responsibility for taking action to address key control points identified. This Management Controls Handbook (the “**Handbook**”) has been developed to provide you with this clarity.

The overall objective of the Handbook is to facilitate improved management and control and the rigor of assurance within the organisation, to support you as a Manager in the carrying out of your day-to-day duties and in the oversight and leadership of your teams within your area of responsibility.

It is intended that this management handbook be a living document, which will evolve in line with best practice and legislative changes.

2. Legislative and Policy Framework and Structures

2.1 The Legislative Framework

The primary legislation governing the role and functions of the HSE is the Health Act 2004 (as amended) and the Health Service Executive (Governance) Act 2019.

Each manager should be familiar with the provisions of this Act and ensure that in their day-to-day management roles they act in accordance with those provisions.

The legislative framework within which the HSE operates is underpinned by various statutes, regulations and mandatory codes, the most **significant** of which are as follows;

- Health Acts 1947 to 2024
- Child Care Acts 1991 and Child Care (Amendment) Act 2024
- Children First Act 2015
- Patient Safety (Notifiable Incidents and Open Disclosure) Act 2023
- Mental Health Acts 2001-2018
- Disability Act 2005 (as amended)
- Ombudsman Act 1980 to 2012 (as amended)
- Official Languages Acts 2003 and 2021
- Freedom of Information Act 2014 (as amended)
- Ethics in Public Office Acts 1995 and Standards in Public Office Act 2001
- Comptroller and Auditor General (Amendment) Act 1993
- Safety, Health, and Welfare at Work Acts 2005 to 2014
- Employment protection legislation and regulations
- Data Protection Acts 1988 to 2018 / General Data Protection Regulation 2018 (GDPR) (EU 2016/679)
- Employment Equality Acts 1998 to 2015
- Assisted Decision Making Capacity Acts 2015 and 2022
- Irish Human Rights and Equality Commission Act 2014
- Gender Pay Gap Information Act 2021
- Prompt Payment of Accounts Act 1997
- EU Directives
- Procurement Regulations
- Protected Disclosures Acts 2014 (as amended) and 2022
- Civil Liability (Amendment) Act 2017
- Data Sharing and Governance Act 2019

Note; this is not an exhaustive list and further Acts can be accessed at www.IrishStatuteBook.ie

2.2 The Policy Framework

Some of the key Policy Frameworks, which the HSE operates within, include:

- Sláintecare Action Plans and Strategy
- DPER Code of Practice for the Governance of State Bodies, August 2016
- HSE Code of Governance 2021
- Performance and Accountability Framework 2023
- Controls Assurance Framework
- Department of Health: A Code of Conduct for Health and Social Service Providers
- Tax compliance and reporting
- The Oversight Agreement Between the Department of Health and the HSE
- The Oversight Agreement Between the Department of Children, Equality, Disability, Integration and Youth and the HSE
- Public Financial Procedures (Department of Finance)
- The Roles and Responsibilities of Accounting Officers (Mullarkey Report 2003)
- Health Information and Quality Authority (HIQA) Standards

- Mental Health Commission Standards
- Delegations Policy Framework
- Decision Support Service Codes and Standards

2.3 Good Governance in Public Services

The 'International Framework: Good Governance in the Public Sector'¹ suggests a number of high-level governance principles which should underpin the governance arrangements in civil service organisations. "The Corporate Governance Standard for the Civil Service" published by the Department of Expenditure & Reform in 2018 highlights the requirement to integrate these five overarching principles whilst also acknowledging the differing requirements for the various elements of the public sector. The HSE has duly considered and adopted these principles when developing its Governance Framework.

- 1 Good governance supports a culture and ethos that ensures behaviour with integrity, a strong commitment to ethical values, and respect for the rule of law.
- 2 Good governance helps to define priorities and outcomes in terms of sustainable, economic and societal benefits and to determine the policies and interventions necessary to optimise the achievement of these priorities and outcomes. It means implementing good practices in transparency, reporting, communications, audit and scrutiny to deliver effective accountability.
- 3 Good governance means developing the HSE's capacity, including the capability of the leadership team, management and staff.
- 4 Good governance means managing risks and performance through robust internal control systems and effective performance management practices.
- 5 Good governance ensures openness, effective public consultation processes and comprehensive engagement with domestic and international stakeholders

2.4 Oversight Agreement

Governance in the HSE is overseen by the Board working closely with the CEO and the Senior Leadership Team (SLT). The Board values and promotes clear accountability which provides the underpinning of effective relations between Government Departments and State Bodies under their aegis, and depends on roles and responsibilities being clearly defined and understood by the parties. To that end, the Department of Health and HSE have entered into an Oversight Agreement in accordance with the *Code of Practice for the Governance of State Bodies 2016*. The Agreement outlines the roles and responsibilities of the Minister for Health / Department of Health. The Oversight Agreement was approved by the Board in December 2023.

To note, the policy, functions and funding responsibility relating to specialist community-based disability service transferred from the Department of Health to the Department of Children, Equality, Disability, Integration and Youth (DCEDIY) in March 2023. Responsibility for the delivery of specialist community-based disability services are retained within the HSE. As such, the Board of the HSE is now accountable to the Minister for Children, Equality, Disability, Integration and Youth in respect of those functions. The Department of Children, Equality, Disability, Integration and Youth and the HSE have also entered into an Oversight Agreement as of February 2024.

2.5 HSE Code of Governance (2021)

Section 35 of the Health Act 2004, as amended by the Health Service Executive (Governance) Act 2019, requires the HSE to prepare a Code of Governance outlining its governance and reporting arrangements including the guiding principles applicable to the HSE Board, the structure of the HSE, the roles and responsibilities of the Board and of the Chief Executive Officer, and the internal controls, including its procedures relating to internal audits, risk management, public procurement and financial reporting.

The Health Act 2004 provides that the HSE shall review the Code periodically and at such times that may be specified by the Minister and shall revise the Code, as the HSE considers appropriate. The Board adopted a revised Code of Governance on 26 February 2021, which was approved by the Minister. This Code replaces the previous document,

¹ International Framework: Good Governance in the Public Sector (IFAC, CIFPA 2014) 2024

published in October 2015, and took effect from 9 September 2021. The 2021 Code of Governance is currently under review.

The Code of Governance details the principles, policies, procedures and guidelines by which the HSE directs and controls its functions and manages its business. In support of a cohesive best practice corporate governance infrastructure, it is intended to guide the Board, the CEO and all those working within the HSE and the agencies funded by the HSE in performing their functions to the highest standards of accountability, integrity and propriety. Publishing the Code is an important element of discharging the HSE's responsibility in this regard. The Code of Governance is a key part of the suite of governance documents that facilitate high performance and effective oversight and interactions between the HSE and the Department of Health.

As part of the [HSE Code of Governance](#), the Code of Practice for the Governance of State Bodies 2016 has been adopted by the Board and is being complied with, and the additional Business and Financial Reporting Disclosure requirements have been included in Part II Financial Governance of the HSE Annual Report for 2023. The Statement on Internal Control in Part II Financial Governance of the 2023 Annual Report reflects the organisation's compliance with the requirements of the Code of Practice for the Governance of State Bodies 2016.

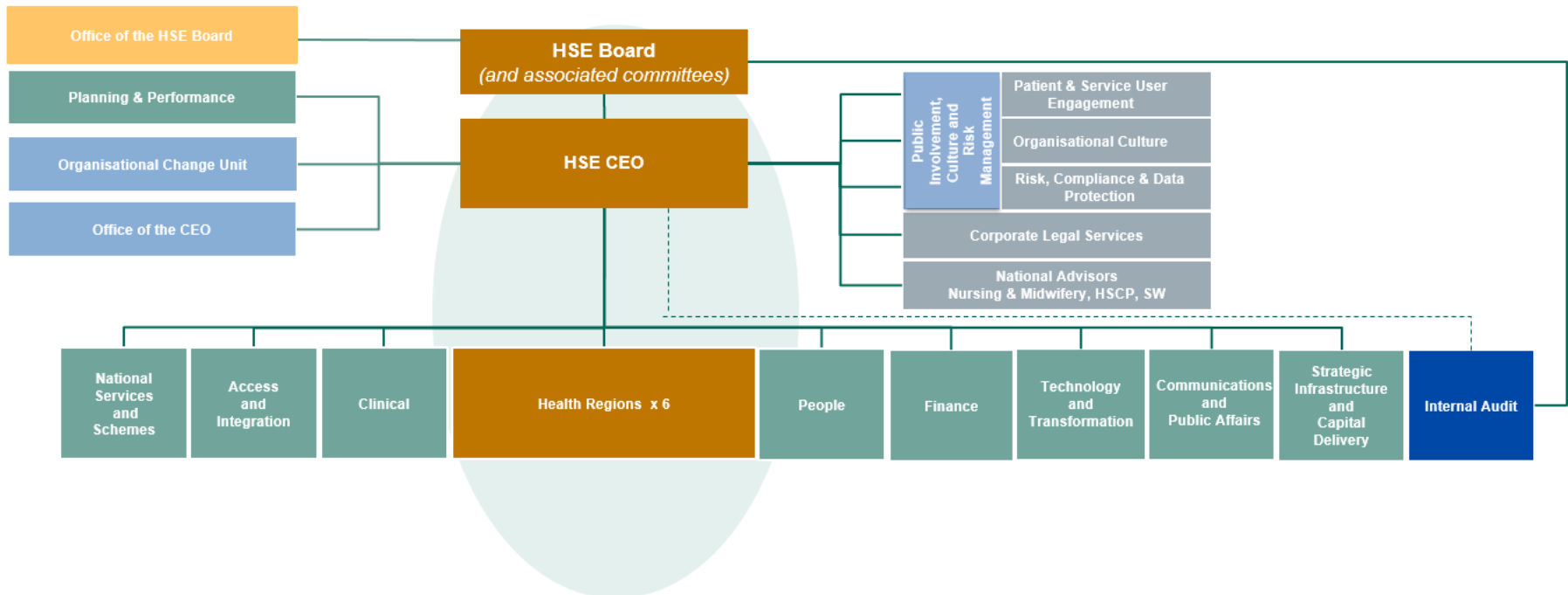
The Delegations Policy Framework sets out the framework and supporting policy guidelines that underpin good governance regarding the system of delegation of statutory functions throughout the HSE. This allows these functions to be undertaken on an operational basis through the CEO and the SLT. Both the Board and the CEO have been conferred with legal authority to delegate their functions.

The Chief Executive Officer exercises their governance responsibilities, either directly or by delegation to senior and line managers across the organisation.

The legislative and governance framework identifies the key stakeholders within the HSE and sets out the significant statutes, which have implications for the HSE, the Board, the CEO, management and staff.

Managers, staff and service providers have a central role to play in the success of the organisation through their dedication, commitment and conduct. They also have a leadership role to demonstrate these standards to their colleagues by their day to day example. Critically, they have specific responsibility for compliance with all aspects of the legislative and governance framework including control, risk management and assurance in their areas of responsibility.

Health Service Executive Centre – Structure as at 25th September 2024



- ND post for Access & Integration and Strategic Infrastructure & Capital Delivery in recruitment phase. Grace Rothwell (Acute Operations), David Walsh (Community Operations) & Brian O'Connell (Head of Capital & Estates) attending SLT in interim until ND Access & Integration and Strategic Infrastructure & Capital Delivery positions filled.
- Some functions (grey boxes) to be finalised

Organogram as of 25/09/2024

3: Control Environment and Internal Controls

3.1 Internal Control and the Control Environment

Internal control is the integration of activities, plans, attitudes, polices and efforts of staff working together to provide reasonable assurance that the HSE achieves its mission.

It is the responsibility of management to establish and foster a control environment, which is economic, efficient, and effective, which supports the overall values of the HSE and which ensures:

- activities are conducted efficiently and in compliance with the HSE's objectives, policies, plans and procedures;*
- that HSE assets are safeguarded and properly accounted for, and ensuring that liabilities are identified and managed;*
- the reliability and integrity of HSE financial and operational systems and controls;*
- the provision of relevant and reliable corporate and operational management information;*
- the quality of internal and external reporting, which requires the maintenance of proper records and processes that generate a flow of timely, relevant and reliable information;*
- Compliance with legislation, regulations and directives.*

3.2 HSE Corporate, Service and Business plans

HSE Corporate Plan 2021 – 2024

The Corporate Plan is a legal requirement (*Section 29; Health Act 2004*) which provides strategic direction for the organisation. These three-year plans provide the overarching framework within which the organisation will address priority areas, or key activities, and gives guidance on where we will focus the efforts of our staff and the targeting of our resources. The annual National Service Plans are framed within the context of the Corporate Plan. The Corporate Plan 2025-2028 is currently under development.

HSE National Service Plan

The HSE National Service Plan (NSP) is a legal requirement (*Section 31; Health Act 2004*). This annual plan sets out the proposed action plan for the year ahead within the confines of the available resources and in the context of the Corporate Plan and Department and Government policy. NSP performance is reported throughout the year as part of the HSEs Performance and Accountability Framework. See [2024 National Service Plan](#)

HSE Operational Plans

More detailed operational plans at national and service levels are developed to give effect to the priorities set out in the National Service Plan.

As a manager, you must be aware of the HSE's Corporate Plan and the annual National Service Plan and the specific business plan for your area and acknowledge your responsibility, authority and accountability for developing and implementing that plan.

Performance

Continuously reviewing and monitoring implementation of the HSE's organisational performance is the key function of Performance management.

As part of the performance management process, the following key documents are compiled:

- Board Strategic Scorecard
- Annual Report
- HSE Performance Report

As a manager, you must be aware of the specific performance measurement and reporting for your area and acknowledge your responsibility, authority and accountability for providing the data required, analysing and explaining gaps in performance and implementing performance improvement as required.

3.3 Regulations, Policies, Procedures, Guidelines, Codes and Standards

The regulations, policies and procedures of the HSE are designed to assist and facilitate management and staff in carrying out their duties and responsibilities in accordance with both statutory and regulatory obligations and professional standards and processes.

The [Code of Governance](#)² incorporates specific provisions in relation to internal financial and operational control procedures. The Code refers to the obligation to adhere to the written policies, procedures, guidelines, codes and standards applicable to all HSE employees and is essential to ensure that organisational governance in the HSE is robust and effective.

In general, compliance means conforming to a rule, such as a specification, policy, standard or law. All budget holders and other managers have a direct responsibility to be proactive in ensuring that they are aware of, understand and comply with these policies and procedures.

As a manager, you must ensure that a record is maintained of the education/training undertaken by each employee with regard to these directives. Certification of users where applicable, together with other relevant education/training records should be maintained as a record of user knowledge, available skill sets, training history, etc.

Persistent and/or negligent failure to comply with the HSE's Policies & Procedures, Guidelines, and Codes & Standards is a very serious matter for any HSE employee and may lead to disciplinary proceedings.

3.4 Obligations

HSE managers and staff have a range of obligations, which they must fulfil to effectively carry out their role and responsibility within the organisation. These obligations can be considered under a number of discrete headings:

- Legal and Regulatory Obligations – ensuring compliance and conformance with all statutes and regulations, as applicable to the HSE. This necessitates a familiarity and awareness of the requirements of specific legislation and other statutory provisions including tax compliance, procurement, etc.
- Corporate Governance Obligations – incorporating generally accepted best practice for the conduct and efficient running of the organisation and general compliance with controls thereby ensuring that the organisation is enabled and performing to its optimum and delivering high quality, efficient and effective services.
- Financial Governance Obligations - ensuring the activities that are intended to ensure the correct operation of all financial processes, as well as compliance with any finance-related mandates including compliance with the HSE [National Financial Regulations \(NFR's\)](#).
- Clinical Governance Obligations - ensuring people receive the care they need in a safe, nurturing, open and honest environment.
- Research Governance Obligations - managing research that utilises the principles of highest quality ethics in health and social care. It is the key to ensuring research is conducted legally to high methodological and ethical standards.
- Information Governance Obligations – this is the specification of decision rights and an accountability framework to encourage desirable behaviour in the valuation, creation, storage, use, archival and deletion of information. It includes the processes, roles, standards and metrics that ensure the effective and efficient use of information in enabling the organisation to achieve its goals.
- Stakeholders Obligations – recognising the various stakeholders and ensuring that their concerns are incorporated in the strategic and operational decisions about the services.

² The full content of these documents may be accessed for view or download from the HSE Website

- > Personal/Professional Obligations - focus on ethics and behaviour including acting in good faith and in the best interests of the organisation, avoidance of perceived or actual conflicts of interest, avoidance of inappropriate transactions and activities and generally behaving in a manner that maintains the trust and confidence of the public in the organisation.

3.5 Code of Conduct

A key part of any management control system is the existence of an effective control environment and control culture where the behaviour of all management and staff exemplifies the highest ethical and professional standards.

The [Code of Conduct](#) applies to all health and social service providers and individuals acting on behalf of those service providers.

The primary objective of the Code is to ensure the safety of those that access our health and social services, while striving to ensure that the quality of these services is always improving.

The Code outlines responsibilities at four levels which set out the standards in relation to promoting and achieving an optimal safety culture, corporate and clinical governance and performance. These four levels include Board, Executives and Employees (all staff including direct employees, agency, contractors, students, interns, volunteers etc.) with responsibility for managing and coordinating staff, resources and performance. The responsibilities are divided into four themes: Leadership and Behaviour, Governance, Systems and Supporting the Code.

Our guiding principles are:

- Patient Centredness / Putting people first – we will put the needs and the voices of service users, and those providing the services, at the centre of all of our work, treating both groups with kindness, dignity and respect. We will strive for equity in access and care for all.
- Kindness, Dignity and Respect – we will be kind, respectful and courteous in our dealings with service users, organisations and each other.
- Openness and transparency, honest communication, learning and accountability – we will communicate honestly and ensure learning when a service user has suffered harm as a result of care and accept full responsibility for our actions.
- Excellence, Effectiveness and efficiency – we will take personal responsibility for excellence in our work, and seek continuous improvement through self- evaluation and innovation.
- Working together/team work and patient/family involvement – we will commit to collaborative working, and engage with people providing and people using the services in improving and developing all aspects of our work.

Together, these principles guide our actions under this Code of Conduct and the Code forms part of the terms and conditions of all staff. As such, it is incumbent on the HSE and Section 38 hospitals and agencies to ensure that all staff receive a copy of the Code and are informed that it forms part of their terms and conditions of employment.

The HSE Board and management are responsible for ensuring that the core values and standards of the HSE underpin the activities of the organisation. Managers at all levels are expected to show leadership and good example by promoting these values and standards. As a manager, you must ensure that your staff comply with all these requirements.

3.6 Risk Management

The HSE recognises the importance of adopting a proactive approach to the management of risk to support both the achievement of its objectives and compliance with governance requirements. The HSE has in place the [HSE Enterprise Risk Management Policy and Procedures 2023](#). This document sets out the policy and procedures by which the HSE manages risk. The HSE is committed to ensuring that risk management is seen as everybody's responsibility and is embedded both as part of the normal day-to-day business and informs the strategic and operational planning and performance cycle.

Enterprise Risk Management (ERM) in healthcare promotes a comprehensive framework for making risk-based decisions that guide the protection and development of high-quality services and their contribution to improving healthcare outcomes. It enables better management of uncertainty and associated risks and opportunities. In particular, it guides the organisation to address risks comprehensively and coherently, instead of trying to manage them individually.

The purpose of the policy is to:

- Outline the commitment of the HSE to the proactive management of risk in line with our vision for a health service that puts patients and service users at the centre, makes the best use of public resources and fulfils our corporate governance responsibilities.
- Assist staff in understanding their role in, and the need to adopt a consistent approach to the assessment and management of risk.
- Set out the systems and processes that are required to ensure that risks are managed consistently across the HSE.

This policy supports this purpose by:

- Seeking to ensure that risk management is seen by all staff as part of the normal day-to-day activities in delivering healthcare services.
- Clearly defining the roles and responsibilities for risk management.
- Outlining a consistent process for risk management including risk identification, risk assessment and risk treatment.
- Outlining the process for the communication, notification and escalation of risk.
- Ensuring that, where actions to manage a particular risk are not within the control of the relevant Risk Owner, either because of lack of authority or resources, such actions can be escalated and then accepted by the next line of management for review and decision-making.
- Ensuring that all identified risks are recorded in a consistent manner, the minimum requirements for which are set out in the Policy.

The policy provides a unified language of risk, defining key terms like risk, controls, actions, inherent risk, residual risk, target risk, risk appetite, and risk tolerance.

Each Manager is responsible for the implementation of, and monitoring of compliance with, the policy within their area of responsibility.

As risk management is concerned with the achievement of objectives, the understanding of risk is central to the HSE's planning cycle. Following ongoing risk assessment, the HSE's SLT agrees and the Board considers and signs off on the principal risks that have the potential to impact the organisation. The assessment is also used in developing the Corporate Plan, National Service Plan (NSP), and annual budget. Each of these principal risks has an associated action plan which is intended to mitigate the risk by either reducing the likelihood of it occurring or its impact if it does materialise. These principal risks are recorded in the HSE's Corporate Risk Register (CRR) and monitored by the Board's Audit and Risk Committee.

The HSE's risk management process is aligned with ISO 31000:2018 and involves risk identification, assessment, evaluation, treatment, and ongoing monitoring.

Overall, the [HSE Enterprise Risk Management Policy 2023](#) seeks to embed risk management as an integral part of the HSE's operations, ensuring a comprehensive framework for making risk-based decisions to guide the protection and development of high-quality services and improve healthcare outcomes.

Managers rely on a standard suite of reports to provide critical insights into how their area of responsibility is performing and which inform the decisions they have to make (e.g. Performance Reports, Financial Reports). In the same way, they also rely on a report (Risk Register) that brings together in a summary form, all the essential information relating to the risks being managed. This includes a clear description of the risk, the measures that are in place to control the risk, the additional controls required to further reduce the risk and the measurement of the current level of risk. This Register should be regularly reviewed and used to inform management decisions, plans and actions.

Understanding risks in your area of responsibility is an important management function. Managers should therefore ensure an understanding of the potential risks for their service or function, whether through the review of risk registers and/or meetings with the teams who report to you.

As a manager, you must ensure that an effective risk management process operates within your area of responsibility by ensuring that the principal risks are identified, assessed and actively managed. The risk register therefore is an active management tool and contributes significantly to the evidence required by the controls assurance process.

The [HSE's Enterprise Risk Management Policy and Procedures](#) encompasses the risk management policy, guidance documents and tools that support proactive risk management. These resources are available on the HSE's website using the following link [Risk Management - HSE.ie](#). Risk Management support tools, training and procedures are available at [HSE Risk Management Support Tools](#)

Self-paced online risk management training resources can be accessed through the HSE Learning and Development platform [HSeLanD](#) by entering the below courses in the search bar:

1. Fundamentals of Enterprise Risk Management
2. Using the Excel Risk Register

Alternatively, the module is accessible through Quality, Leadership & Management section, in the 'Risk Management' folder.

3.7 Clinical Management and Financial Management

Management obligations as part of the control environment include compliance with risk management and financial management arrangements and the organisation's policies, procedures and guidelines and a management review of arrangements within service providers and externally funded agencies. Management should foster an environment that promotes good managerial and clinical governance arrangements, which clearly define roles accountability and responsibilities throughout the service. A strong ethical culture and the code of conduct, consistent with the core values and standards, are also integral elements of the control environment that should prevail across the organisation.

In relation to internal control systems, as a manager you must ensure that:

- The governance and accountability arrangements set out below for quality and safety of patients, public and staff are clearly articulated and communicated.
- Effective systems and procedures are in place to ensure that financial transactions are legal, properly incurred and correctly accounted for and are in compliance with the National Financial Regulations. This will support the production of accurate and timely accounts, and the meeting of other financial obligations and objectives, within a secure control environment.

3.7.1 Clinical Management

Clinical governance is the system through which healthcare teams are accountable for the quality, safety and satisfaction of patients in the care they have delivered. For health care managers this means specifying the clinical standards you are going to deliver and showing everyone the measurements you have made to demonstrate that you have done what you set out to do.

To assist healthcare providers, a suite of ten principles for good clinical governance, for the Irish health context, were developed. It is proposed that the principles inform each action and provide the guide for managers and clinicians in choosing between options. It is recommended that each decision (at every level) in relation to clinical governance development be tested against the principles set described in the table, below.

Principle	Descriptor
Patient First	Based on a partnership of care between patients, families, carers and healthcare providers in achieving safe, easily accessible, timely and high-quality service across the continuum of care.
Safety	Identification and control of risks to achieve effective efficient and positive outcomes for patients and staff.
Personal responsibility	Where individuals as members of healthcare teams, patients and members of the population take personal responsibility for their own and others health needs. Where each employee has a current job-description setting out the purpose, responsibilities, accountabilities and standards required in their role.
Defined authority	The scope given to staff at each level of the organisation to carry out their responsibilities. The individual's authority to act, the resources available and the boundaries of the role are confirmed by their direct line manager.
Clear accountability	The HSE Performance and Accountability Framework sets out the accountability structures for the HSE and allows for agreement of clear accountability
Leadership	Motivating people towards a common goal and driving sustainable change to ensure safe high-quality delivery of clinical and social care.
Inter-disciplinary working	Work processes that respect and support the unique contribution of each individual member of a team in the provision of clinical and social care. Inter-disciplinary working focuses on the interdependence between individuals and groups in delivering services. This requires proactive collaboration between all members.
Supporting performance	Managing performance in a supportive way, in a continuous process, taking account of clinical professionalism and autonomy in the organisational setting. Supporting a director/manager in managing the service and employees thereby contributing to the capability and the capacity of the individual and organisation. Measurement of patients' experience being central in performance measurement (as set out in the National Charter, 2010).

Principle	Descriptor
Open culture	A culture of trust, openness, respect and caring where achievements are recognised. Open discussion of adverse events is embedded in everyday practice and communicated openly to patients. Staff willingly report adverse events and errors, so there can be a focus on learning, research and improvement, and appropriate action taken where there have been failings in the delivery of care.
Continuous quality improvement	A learning environment and system that seeks to improve the provision of services with an emphasis on maintaining quality in the future not just controlling processes. Once specific expectations and the means to measure them have been established, implementation aims at preventing future failures and involves the setting of goals, education, and the measurement of results so that the improvement is ongoing.

3.7.2 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 main principles of financial management include:

Principle	Descriptor
<u>Probity and Propriety</u>	Ensuring that the HSE demonstrates probity and propriety, including sound financial administration and the stewardship of public funds and acting with honesty and integrity and in conformance with standards of good behaviour.
<u>Compliance with obligations</u>	Ensuring compliance with legal and regulatory obligations and internal control systems
<u>Accountability</u>	Providing clarity of financial accountability and responsibility throughout the organisation
<u>Value for Money</u>	Supporting the achievement of value for money in organisation activities
<u>Decision-making</u>	Supporting operational and strategic decision-making
<u>Planning</u>	Facilitating budgetary forecasting and financial planning
<u>Information</u>	Providing quality information in the financial aspects of performance
<u>Reporting</u>	Delivering on financial reporting, public audit and accountability requirements
<u>Performance Management</u>	Providing and supporting the analysis of key performance indicators
<u>Education & Training</u>	Providing instruction, appropriate training and support for managers and employees to develop and enhance knowledge, skills and expertise
<u>Insurance</u>	Ensuring appropriate insurance arrangements are in place to minimise exposures and potential liabilities.

4: Assurance Arrangements

Assurance is the positive evidence that the controls are managing a given risk and it is likely that the objective will be achieved. There are a wide variety of sources of assurance available to management both internal and external sources (i.e. Internal Audit report findings; Comptroller and Auditor General report findings; Public Accounts Committee (PAC) or Other Dáil Committees report findings; HIQA investigation or findings; Mental Health Commission inspection report Findings; Quality & Patient Safety Audit report findings; other external report findings).

The assurance framework of the HSE is composed of four 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. Each employee is required to comply with these.

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 [Performance and Accountability Framework](#) makes clear the means by which HSE management at all levels are held to account for their performance, which includes Financial, Governance and Compliance requirements.

The completion of the annual Controls Assurance Review Process by managers forms part of Level II control. Under the Code of Practice for the Governance of State Bodies, the HSE must complete a formal annual review of the effectiveness of its system of internal controls. One of the tools that is used to measure the effectiveness of the HSE's system of internal controls is the Annual Controls Assurance Review Process (CARP).

The key components of the CARP are:

- The Internal Controls Questionnaire (ICQ)
- Controls Assurance Statement (CAS)
- Statement of Positions Held

The CARP allows the HSE to not only identify potential areas and activities which may require additional support and focus but also assists in highlighting the strengths of the HSE's controls environment. The Internal Controls Questionnaire should be used by Managers to assess the extent to which the required principles and controls are observed and complied with, within their area of responsibility.

Level III – Internal Audit

► Internal Audit is an independent, objective assurance 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 Internal Audit function is responsible for providing assurance on the adequacy of HSE's internal control, risk management and governance systems and activities. The work of Internal Audit identifies risks and control issues which may have systemic implications for the HSE. Through its audit reports and recommendations to strengthen controls, it provides assurance to the Board, CEO and Management on the adequacy and degree of adherence to governance, risk management and control procedures. Management is responsible for implementing Internal Audit recommendations in a timely manner.

Level IV – External Audit

► The Comptroller & Auditor General is the External Auditor of the HSE and works in a number of ways in accordance with their statutory remit to improve the use of public money and resources, and strengthen public accountability. In addition to reporting on the accounts of the HSE, they also undertake special audits and support parliamentary accountability.

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

Everybody within the HSE has a role to play in relation to ensuring the implementation of and compliance with control and risk management arrangements within their area. This concern for control, risk management and compliance facilitates the provision of assurance by Managers indicating their confidence in the effective functioning of systems within their area.

5: Management Guidance to Undertake Annual Internal Control Review

The Chairman of the Board is required to make an explicit statement (a Statement on Internal Controls [SIC]) indicating how and to what extent the HSE Board and management ensures that the system of internal controls are effective.

This obviously has implications for all managers in the HSE who have a central role in emphasising the importance of control and who must take a visible leadership role in ensuring that there is compliance with the control procedures. A formal annual review of the effectiveness of the system of internal control is commissioned by the Chief Executive Officer, the results of which are reported in the Report on the Review of the System on Internal Controls. This formal annual review requires that managers attest to the operation of controls as follows:

Internal Control Element	Description	Deadlines for submission
1. Controls Assurance Statement (CAS)	(i) For online completion (ii) All Managers (Grade VIII's or equivalent salary grade and above). Any other staff member whose assurance is required by their manager to provide assurance on controls in place will also be requested to complete this process. (iii) Completion of a statement of positions / voluntary donations form is also required	For the 2024 process, all submissions (excluding Senior Leadership Team members) are due by 6 th December 2024 Senior Leadership submissions are due by Jan 24 th 2025 (to allow for review and consideration of management responses)
2. Internal Control Questionnaire (ICQ)	(i) For online completion (ii) All Managers (Grade VIII's or equivalent salary grade and above). Any other staff member whose assurance is required by their manager to provide assurance on controls in place will also be requested to complete this process. (iii) This ICQ is designed to assist the HSE in performing a self-review of controls over systems and activities. While not intended to assess every activity performed, the ICQ is intended to focus on activities including clinical risk, financial reporting, assets, stock takes, purchasing, travel, payroll and personnel, information systems, income & debtors and services contracted to external providers. In addition, there are questions relating to the overall control consciousness of the HSE such as the Data Protection Policy and related procedures as well as the quality of financial information and communications.	For the 2024 process, all submissions (excluding Senior Leadership Team members) are due by 6 th December 2024 Senior Leadership submissions are due by Jan 24 th 2025 (to allow for review and consideration of management responses)

As part of on-going good practice, managerial responsibilities include the identification of key activities, services and functions, assessment risks and exposures and areas of vulnerability, review of current management action and controls and the identification of corrective action to address the control weaknesses and areas of non-compliance with procedures.

Stage One: Identify Activities, Services and Functions

The initial stage of the evaluation of control systems is to consider the various organisational units and to set out a detailed list of the functions and responsibilities of those units. Functions can be most easily identified through organisational charts, departmental budgets, policy and procedure manuals, job descriptions, and programme and financial or clinical management information systems.

Stage Two: Assess Risks and Exposures

The assessment is a general review of the potential risks and exposures within the area and its susceptibility to errors, irregularities, or non-compliance. Similar to risk assessment, this stage could determine the probability or likelihood that something could go wrong and to evaluate the impact or seriousness of the situation.

The assessment is intended to provide the manager or the review team with the following:

1. A suggestion of the functional areas that should get priority attention from management because of the nature, sensitivity and importance of the activity;
2. A preliminary judgment from managers about the appropriateness and adequacy of existing management action and control techniques to minimise or detect problems; and
3. An early indication of where potential internal control weaknesses exist which should be corrected.

As a general rule, the following factors should assist with the assessment of risk or vulnerability:

1. The attitude of management toward maintaining effective internal control systems;
2. The technical or administrative complexity of the activity or function;
3. The existence of adequate authority, responsibility and accountability arrangements and lines of communication and clear designation of work;
4. Demonstrated adherence to prescribed policies and procedures;
5. The financial implications including the size of the budget and the extent to which there are staffing resources committed to the area;
6. Where appropriate, the professional education/training and technical proficiency of staff needed to correctly perform the function;
7. The rate of change in functional responsibilities, staff turnover and re-configurations of the function; and
8. The frequency of internal or external audits of the areas and the significance and seriousness of findings.
9. Frequency and significance of past control failures

The results of the Assessment will allow the responsible manager to classify functions as High, Medium or Low risk and may highlight specific weaknesses where immediate remedial steps can be taken by management. More importantly, however, the assessment process offers the opportunity to rank functions in priority order – most important to least, most vulnerable to least – to schedule, on a systematic basis, reviews to determine how well internal controls are working.

After the initial assessment is completed, it should be updated periodically at the discretion of management and in accordance with the risk management policy.

Stage Three: Review Management Actions, Mitigations and Controls.

The need or frequency for a control review is related to the level of risk assigned by the assessment at stage two. Functions identified as more vulnerable could be candidates for internal control reviews regardless of whether or not the vulnerability assessment actually identified any internal control weaknesses.

A control review could take a variety of forms:

1. Observing whether staff perform the function properly;
2. Discussing with staff how the function is performed and whether those steps are reasonable;
3. Establishing what are the key control objectives in the area;
4. Examining documents and procedures followed by staff;
5. Evaluating and testing actual work performed to confirm compliance with procedures and that the results are consistent with initial plan and forecast.

The nature of the internal control review will vary depending on the significance and complexity of the activity or function being reviewed, the level of identified risk and the controls in place. The greater the potential vulnerability, the greater the need for probing internal controls and, therefore, the greater the need for regular and more formal evaluation by management, who should not be reliant on internal audit to carry out reviews

The results of the Control Review should be documented and should answer the following key questions:

1. What are the objectives of the activity, service or function? What is it trying to achieve? What problem is it trying to avoid? (Control objectives)
2. What steps are followed to achieve those objectives?

3. What control weaknesses exist which inhibit achieving the control objectives?
4. What cost-effective additional and corrective actions can be taken to eliminate or reduce these weaknesses?

Where improvements are required, a plan of corrective management action should assign responsibility, establish time frames for implementing improvements, and report on progress toward these improvements. Senior management should approve the plan to assure that recommended actions are feasible and cost effective. A process of regular management control reviews would strengthen the control environment and the overall control culture. In addition, the process would facilitate management providing control assurance statement in relation to their areas of responsibility.

Who is Responsible and For What?

Our competence and professional integrity are essential components of a sound internal control review. By knowing what our responsibilities are, we can help to provide reasonable assurance that our internal control systems are adequate and operating in an efficient manner. The responsibilities identified below are those found in each employee's job description and not additional responsibilities.

Employee responsibilities:

- Fulfilling the duties and responsibilities established in one's job description;
- Putting patient safety first in all you do;
- Meeting applicable performance standards;
- Attending education and training programs as appropriate to increase awareness and understanding;
- Taking all reasonable steps to safeguard assets against waste, loss, unauthorised use and misappropriation;
- Reporting breakdowns in internal control systems to your supervisor; and
- Refraining from the use of your official position to secure unwarranted privileges.

Managers have these additional responsibilities:

- Maintaining an office/clinical environment that encourages the design of internal controls;
- Documenting policies and procedures that are to be followed in performing office/clinical functions;
- Identifying the control objectives for the functions and implementing cost effective controls designed to meet those objectives; and
- Regularly testing the controls to determine if they are performing as intended.

Internal controls are already part of your daily operations. The controls developed and exercised by managers and their staff, form the substance of the internal control program. The Internal Control Review helps to ensure that the controls are properly documented and that they are functioning as intended.

The goal is not to make each person an expert in internal controls, but to increase our awareness and understanding of internal controls. In fact, the single most important success factor of the Internal Control Review is a high level of individual awareness and understanding. Internal controls are everyone's responsibility; therefore, it is critical that each person be able to identify the internal controls that exist in their unit. We are all responsible for knowing what internal controls exist and how to evaluate their effectiveness. A successful Internal Control Review will help you to streamline processes and improve the level and quality of your services.

6: Appendices

Appendix 6.1: Glossary of Terms

Accountability Staff have a defined responsibility within an organisation and are accountable for that. Accountability describes the mechanism by which progress and success are recognised, remedial action is initiated or whereby sanctions (warnings, suspension, deregistration etc.) are imposed (HSE, 2010).

Authority is associated with your role, which is linked to the responsibilities you were given. Authority is the power given to you to carry out your responsibilities (HSE, 2010).

Assurance is the positive evidence that controls are managing a given risk and it is likely that the underlying objective will be achieved. Assurance is about, “how do I know my service is working without flaws, without surprises? For the Chief Executive Officer there are many sources of assurance (sometimes referred to as the Assurance Framework), including the following:

Sources of Assurance

(Note: This is not an exhaustive list and subject to change in line with legislative provisions, best practice and other requirements.)

Internal sources of Assurance

- Internal audit
- Performance monitoring reports
- Controls Assurance process and reporting
- KPIs
- Clinical audit
- Patient experience surveys
- Staff satisfaction surveys
- Staff appraisals
- Training records
- Training evaluation reports
- Results of internal investigations
- Incident Reviews
- Complaints records and investigations
- Protected Disclosure reports
- Infection control reports
- Patient advice and liaison reports
- Human resource reports
- Internal benchmarking
- HSE Performance Accountability Framework
- Strategic Plan/Annual Operating Plan objectives (delivery of national objectives)
- Board Strategic Scorecard
- Risk Management reports and risk registers
- CEO reports
- Board Committee reports
- Reports to Oireachtas Committees and periodic attendance for review of risks/assurance
- Records of Processing Activities (ROPAs)
- Data Protection Impact Assessments (DPIAs)
- Personal Data Breach Reports

External Sources of Assurance

- Comptroller & Auditor General
- Other External audits and reviews
- HIQA
- Mental Health Commission
- PAC & Other Dáil Committees
- Feedback from service users
- External advisers

These lists are not exhaustive

Clinical Governance: Clinical governance is defined as “A framework through which healthcare teams are accountable for the quality, safety and satisfaction of patients in the care they have delivered”. For health care, staff this means: “Specifying the clinical standards you are going to deliver and showing everyone the measurements you have made to demonstrate that you have done what you set out to do”

Governance A basic definition of (corporate) governance is “the system by which an organisation is directed and controlled, at its most senior levels, in order to achieve its objectives and meet the necessary standards of accountability, probity and openness”. Governance is concerned with the systems, controls, accountabilities and decision making at the highest level of the organisation. It is about the way the organisation leads and manages through its values (in the public sector of accountability, probity and openness) and its systems (such as governance structures and risk management).

Effective governance arrangements recognise the inter-dependencies between corporate and clinical governance across the service and integrates them to deliver high quality, safe and reliable healthcare.

Governance Framework The governance framework describes the structure and systems that are in place to “direct and control” the organisation. For the HSE these are the Committee structures, management arrangements, Scheme of Delegation and risk management strategy. These arrangements also provide the “assurance” that the organisation relies on to know that its governance arrangements are effective.

Integrated Governance has become the overall term to describe the various forms of governance such as corporate, clinical and financial, and is described as follows; “Systems, processes and behaviours by which organisations lead, direct and control their function in order to achieve organisational objectives, safety and quality of service...” (Integrated Governance Handbook, 2006).

Responsibility Is a set of tasks or functions performed to a required standard that your employer can legitimately demand from you and which you are qualified and competent to exercise. Your responsibilities are defined by a contract of employment, which usually includes a job description describing responsibilities in detail (HSE, 2010).

Risk is the effect of uncertainty on objectives. In the context of the HSE and its services, it is any condition, circumstance, event or threat which may impact the achievement of objectives and/or have a significant impact on the day-to-day operations. This also includes failing to maximise any opportunity that would help the HSE or service meet its objectives. (HSE Enterprise Risk Management Policy and Procedures 2023)

Risk Assessment is a process consisting of risk identification, risk analysis (including Risk Rating) and risk evaluation. (HSE Enterprise Risk Management Policy and Procedures 2023)

Risk Management is the coordinated activities to direct and control an organisation with regard to risk. (HSE Enterprise Risk Management Policy and Procedures 2023)

Enterprise Risk Management (ERM) in healthcare promotes a comprehensive framework for making risk-based decisions that guide the protection and development of high-quality services and their contribution to improving healthcare outcomes. It enables better management of uncertainty and associated risks and opportunities. In particular, it guides the organisation to address risks comprehensively and coherently, instead of trying to manage them individually. (HSE Enterprise Risk Management Policy and Procedures 2023)

Risk management process is the systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk. (HSE Enterprise Risk Management Policy and Procedures 2023)

Risk Register is “a database of assessed risks that face any organisation at any one time. Always changing to reflect the dynamic nature of risks and the organisation’s management of them, its purpose is to help managers prioritise available resources to minimise risk and target improvements to best effect. (HSE Enterprise Risk Management Policy and Procedures 2023)