

C.13 IHRD Paper - CONTROLS ASSURANCE STANDARDS

1. In 2003-04 the Department introduced Controls Assurance Standards (CAS) to Health and Social Care organisations, now referred to as Arm's Length Bodies (ALBs). Controls Assurance is a process that aims to provide evidence that Health and Social Care (HSC) bodies are doing their reasonable best to manage themselves in meeting their objectives to protect patients, staff, public and other stakeholders against risks of all kinds. It should not encourage organisations to be risk averse, but to take managed risks from an informed position. The CAS process helped the HSC to successfully embed good risk management practice into its everyday work.

2. There are 22 Controls Assurance Standards:
 - The three mandatory core Standards, applicable to all organisations:
 - Risk Management
 - Financial Management
 - Governance; and
 - 19 operational standards, whose relevance to each organisation depends on the nature of its business:
 - Buildings, Land, Plant and Non-Medical Equipment
 - Decontamination of Re-usable Medical Devices
 - Emergency Planning
 - Environmental Cleanliness
 - Environmental Management
 - Fleet and Transport Management
 - Fire Safety
 - Food Hygiene
 - Health & Safety
 - Human Resources

- ICT
 - Infection Control
 - Management of Purchasing and Supply
 - Medical Devices and Equipment
 - Medicines Management
 - Records Management (now Information Management)
 - Research Governance
 - Security Management
 - Waste Management
3. Each Standard, comprising a number of individual criteria, brings together all of the statutory obligations, Departmental guidance, professional requirements etc in the field concerned.
 4. Each standard has a lead author, who is the Policy Lead within the Department. The Policy Lead is responsible for reviewing the standard on a yearly basis. The updates and changes are then relayed to the ALBs and the current standard is posted on to the Department's website.
 5. In 2008-09, a review of the CAS was undertaken by the Department. The review found that the CAS provided a valuable cross-organisational platform for identifying and addressing risks, has helped to embed risk management, and has provided verifiable evidence on those points.
 6. As of 2008-09, all ALBs are required to be "substantively compliant" with each standard (or part of a standard) that is relevant to them. Compliance is represented by a self-assessed score, marked out of 100, and "substantive compliance" entails scoring at least 75.
 7. Initially applied to the then HSS boards, trusts and special agencies (and to their successors), the CAS process was extended in 2009 to the Department's four Non Departmental Public Bodies (NDPBs) (NI Fire &

Rescue Service, NI Practice & Education Council for Nursing and Midwifery, NI Social Care Council and the Regulation & Quality Improvement Authority). In their case, the compliance requirement in 2009-10 and 2010-11 was limited to the three core standards (Finance, Governance and Risk Management). In addition for 2010-11, the NDPBs were required to report on compliance with the non-core standards of Records Management (now Information Management), Information Communication Technology and Health & Safety Management.

8. For 2013-14 the Department requires all of their ALBs to assess themselves against any and all of the standards that are applicable to them. This assessment can apply to all criteria within a standard, or selected criteria where they are relevant to that organisation.

9. The Department expects that compliance with CAS should feature within the programme of work undertaken in each Arm's Length Body by HSC internal audit. Self assessments of compliance levels against Controls Assurance Standards and against applicable criteria within each standard are reported to the Department every year by each ALB.

10. The scoring results in a compliance rating as shown below:

Level & Scoring	Descriptor
Negligible 0	<ul style="list-style-type: none"> • No compliance anywhere in the organisation with any of the requirements set by the standard
Minimal 1 – 39	<ul style="list-style-type: none"> • A low degree of organisation-wide compliance with the requirements set by the standard. • Demonstrable evidence that a start has been made towards compliance in some or all parts of the organisation. • Low percentage of compliance by professional

	people as part of the self-assessment process
Moderate 40 - 74	<ul style="list-style-type: none"> • A moderate degree of organisation-wide compliance with the requirements set by the standard. • Demonstrable evidence that work is ongoing across most parts of the organisation to achieve compliance, although some directorates or departments may be in the very early stages of compliance. • Medium percentage of compliance by professional people as part of the self-assessment process.
Substantive 75 - 99	<ul style="list-style-type: none"> • Substantive organisation-wide compliance with all requirements set by the standard. • Demonstrable evidence that most parts of the organisation are meeting most of the requirements set by the standard. • Only minor non-compliance issues requiring, in the main, minor action(s). • High percentage of compliance by professional people as part of the self-assessment process.
Full 100	<ul style="list-style-type: none"> • Full compliance across the whole organisation with all requirements set by the standard

- Each year the Audit Team within the Business Services Organisation (BSO) complete an internal audit of compliance levels against a number of the CAS. The three core standards, Finance, Risk Management and Governance are audited every year for every organisation. A further four standards are also audited. These will change year to year and are decided on by the Department, in conjunction with BSO Audit.
- These audit findings are also reflected in the Head of Internal Audit reports for each organisation. Both individual audit reports and the HIA report should be considered by the Arm's Length Body's (ALB's) Audit Committee (a Committee of the ALB Board) which also has responsibility for ensuring that audit findings are addressed. They also feature in each organisation's

Governance Statement (formerly Statement on Internal Control), as an indicator of the strength of control systems. The Governance Statement also forms part of an ALB's annual accounts which are laid before the Assembly and is subject to scrutiny by the NI Audit Office.

13. The Department's Permanent Secretary (as part of his Accounting Officer role) holds twice yearly Assurance and Accountability reviews with each of the ALBs. Since 2011-12, when the Department introduced a uniform approach to the format and structure of the twice yearly accountability meetings, CAS and the compliance scores have featured on the Agenda of each meeting. Detailed briefing is supplied to Departmental staff regarding the scores and any individual lapse (below 75) in compliance is looked at in more detail. The Department also considers the Annual Accounts, the Governance Statement, any common themes with each or across the organisations and ask for details of how the organisation plans to address the issues. These audit findings are in turn summarised and reported to the Department's Audit and Risk Committee (a sub-committee of the Departmental Board).

Annexe A

Documents to be supplied in hard copy

1. HSS (PPM) 5/03 Governance in the HPSS: Risk Management and Controls Assurance
2. HSS (PPM) 04/04 Governance in the HPSS: Reporting on Compliance with Controls Assurance Standards for 2003/04
3. HSS (PPM) 05/04 Governance in the HPSS: Reporting on Compliance with Controls Assurance Standards for 2003/04
4. HSS (PPM) 01/05 Governance in the HPSS: Reporting on Compliance with Controls Assurance Standards for 2003/04
5. HSS (PPM) 4/2006- Governance in the HPSS: Reporting on compliance with CAS 2005/06
6. AMCC1770 Assurance to the Departmental Accounting Officer from Arm's Length Bodies
7. Letter from John Allen requiring NDPBs to report on compliance with 3 core standards
8. Risk Management Controls Assurance Standard
9. Governance Controls Assurance Standard
10. Head of Internal Audit report – Belfast Trust
11. Controls Assurance Standards: Performance in 2012-13 & Reporting Requirements for 2013-14