

Betsi Cadwaladr University Health Board – Review of Board Effectiveness

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Summary report

Introduction

- 1 Through the delivery of our routine audit work at Betsi Cadwaladr University Health Board (the Health Board) we became aware of growing concerns regarding the cohesiveness of the board¹ and working relationships at a senior level. The nature and extent of the concerns have led the Auditor General to undertake an urgent and focused review of the collective effectiveness of the board at Betsi Cadwaladr University Health Board.
- 2 This work was undertaken during December 2022 and January 2023, and drew appropriately on evidence that had already been collected as part of the Auditor General's 2022 structured assessment work at the Health Board. The work was undertaken to help the Auditor General discharge his statutory duty under Section 61 of the Public Audit Wales Act 2004 to satisfy himself that NHS bodies have proper arrangements in place to secure economy, efficiency, and effectiveness in the use of their resources. This report has been prepared solely for the purposes of discharging the Auditor General's statutory functions.
- 3 The focus of the review was to determine the extent to which the board is working effectively and cohesively as a team to discharge its role and functions, including providing the collective leadership that is required to grip the numerous challenges the Health Board is facing.
- 4 This report sets out the findings from our review and identifies the immediate actions we think are necessary to address the concerns our work has identified.
- 5 The report is aimed at those charged with governance at the Health Board but should also be used to inform interventions and support work organised by the Welsh Government as part of the NHS Wales Escalation and Intervention Framework.

Acknowledgements

- 6 We are grateful to the Health Board for supporting the rapid set up of the review and to the individuals who have made themselves available to speak to our reviewers at what we acknowledge to be a very challenging time for the Health Board.

¹ The term 'Board Members' includes Independent, associate and Executive Team members. The term 'board' represents the collective group of Board members. The term 'Health Board' relates to the entire organisation. 'Executive Team' is a group of the most senior Executive Directors within the Health Board.

Background

- 7 Whilst the Health Board was de-escalated from Special Measures in November 2020, it remains in Targeted Intervention² in five areas:
- Mental Health Services;
 - Strategy, Planning & Performance;
 - Ysbyty Glan Clwyd;
 - Leadership; and
 - Engagement.
- 8 Ysbyty Glan Clwyd was added to these Targeted Intervention areas in June 2022 following significant concerns regarding the hospital's Emergency Department and vascular services. More generally the Health Board has significant performance challenges around aspects of planned care performance and unscheduled care. In addition, the ability to produce an approvable Integrated Medium-Term Plan and a clinical services strategy with detailed underpinning clinical plans remain long-standing challenges for the Health Board.
- 9 In August 2022, the Auditor General's audit of the Health Board's 2021-22 accounts identified significant errors within those accounts. The Health Board was unable to provide sufficient audit evidence to demonstrate the existence of £72 million of expenditure recorded to have been incurred within the accounts but not paid in the year. There was also insufficient evidence to confirm that expenditure of £122 million recorded in the accounts related to the 2021-22 accounting period. The Auditor General therefore placed a "limitation of scope" qualification on the Health Board's accounts. The Auditor General also qualified his regularity opinion on the accounts as a result of the Health Board's inability to demonstrate financial balance over a three-year period, and expenditure and funding in respect of clinicians' pension tax liabilities.
- 10 The Health Board commissioned Ernst and Young to undertake an external review to further explore the cause of the inaccuracies identified in the audit of the Health Board's accounts. As a result of that work, further investigations are now being carried out by NHS Wales Counter Fraud Service.
- 11 The Health Board's substantive Chief Executive left the organisation at the end of October 2022 creating some immediate challenges for the organisation in terms of continuity and stability of Executive Team leadership. Interim Chief Executive arrangements have been put in place ahead of a process to recruit a substantive replacement.
- 12 During November and December 2022, a significant number of disclosures have emanated from within the Health Board raising various concerns about the culture

² Targeted Intervention forms part of the NHS Wales Escalation and Intervention Arrangements - [Escalation and Intervention Arrangements for handling serious issues facing NHS Wales \(gov.wales\)](#)

at the top of the organisation and business processes including those associated with the use of interim senior appointments. The disclosures are the subject of an ongoing independent investigation, organised by the Welsh Government.

Overall conclusions

- 13 Overall, our work has identified a number of concerns which in combination are fundamentally compromising the ability of the board to work effectively and in an integrated manner to address the significant challenges the Health Board faces.
- 14 Central to our concerns are the clear and deep-seated factions that exist within the Executive Team and, to an extent, the wider board. The dysfunctionality within the Executive Team is clearly visible to the Independent Members on the board. This, along with concerns about Executive Team grip on operational challenges and the quality of assurances, has eroded Independent Member trust and confidence in the Executive Team.
- 15 In the face of growing concerns about the inability to address long-standing service performance, quality, and safety challenges there have been examples of very challenging public scrutiny of the executive by some Independent Members. These have adversely affected working relationships and functionality within the board, further embedding divisions between the Executive Team and Independent Members. Board development activities have largely failed to resolve these and other tensions and facilitate more integrated and effective board working.
- 16 Disclosures have been made by members of staff setting out various concerns about business processes and the behaviours of some board members on both the executive and Independent Member side. These are subject to separate ongoing investigations which will need to conclude quickly and clearly given the destabilising effect the disclosures are having on the Executive Team and wider board.
- 17 Continuity of leadership and pace of change has been affected by turnover and portfolio changes within the Executive Team. The organisation again finds itself without a substantive Chief Executive and with a number of other executive posts also currently being occupied on an interim basis. A heavy reliance on interim posts within the wider senior management structure is still evident and points to ongoing difficulties securing the senior leadership capacity that the Health Board needs.
- 18 Urgent action is needed to tackle the concerns set out in this report and to create a board and Executive Team environment that is more cohesive and unified around the significant challenges the organisation faces.
- 19 The findings underpinning the above conclusions and key messages are set out under the following headings.

Findings

Working relationships within the Executive Team and wider board

We found clear and deep-seated fractures within the Executive Team that are preventing that team from working effectively. Concerns about the pace of improvement and quality of assurance from executives have also led some Independent Members, on occasion, to resort to very challenging scrutiny of some executives in public meetings. This has adversely affected working relationships between some Independent Members and some of the Executive Team and is compromising the board's ability to work in a cohesive and collective manner to effectively tackle the considerable challenges the organisation faces.

Urgent action is needed to address this and create a board culture that is based on trust, candour, and respectful relationships between the Executive Team and Independent Members.

- 20 During November and December 2022, Audit Wales, Healthcare Inspectorate Wales, and Welsh Government received in total around 20 disclosures raising workplace concerns from Health Board staff, including some senior members of staff. In the main these focus on concerns around some business processes and the behaviours of some senior leaders within the Health Board. The volume and nature of disclosures point to significant problems with working relationships within the Executive Team and between certain Executive Directors and Independent Members.
- 21 As the disclosures relate to the behaviours of individuals, it is not appropriate for the Auditor General to investigate them directly. A separate process to examine the concerns has been established with the assistance of the Welsh Government, which remains ongoing.
- 22 Our interviews did, however, identify clear and deep-seated fractures within the Health Board's Executive Team. The evidence presented to us points to dysfunctionality and factions within the team, and that the whole team is not united around the interim Chief Executive to collectively tackle the significant challenges facing the Health Board. From what we heard at interviews and have seen in the content of some of the disclosures, we have significant doubt as to whether working relationships within the current team are repairable.
- 23 This dysfunctionality has become increasingly apparent in the way weekly Executive Team meetings are operating. Despite the Health Board having a significant and growing number of challenges to deal with, the scope of Executive Team meeting agendas substantially reduced between October 2022 and mid-January 2023, with varying degrees of engagement from Executive Team members. Meeting agendas have since improved to be more reflective of the challenges the organisation faces, although attendance levels remain patchy. This situation is likely to limit the ability of the Executive Team to provide the unified and

agreed direction which is so urgently required to respond to the challenges the organisation currently faces.

- 24 Whilst there is a clear recognition amongst the board as a whole that urgent action is needed to resolve the challenges the organisation faces, Independent Members in particular have expressed frustration that progress in addressing these has been slow, and also at misleadingly positive assurances they feel they have received from some members of the Executive Team in certain areas.
- 25 The fractures within the Executive Team are clearly visible to Independent Members on the board, which raises concern about the Executive Team's ability to collectively grip the challenges at hand. In contrast, we noted a more obvious cohesiveness within the Independent Member cadre of the board.
- 26 The concerns and frustrations experienced by Independent Members have resulted in some very challenging public scrutiny of Executive Directors by Independent Members. Whilst such challenge is viewed as necessary by some, for others it represents an unhelpful move towards a hostile and inquisitorial board culture with "public shaming" of individuals at board and committee meetings.
- 27 As a consequence of the disclosures made in relation to culture and behaviour, some Independent Members have indicated to us that they now feel wary about challenging poor performance because of the consequences that might follow.
- 28 Given the extent of the problems, it is understandable that several board members we interviewed showed visible signs of emotional distress, giving us concern about their well-being. Urgent action is needed to address this situation.

Conduct of business at board and committee meetings, quality of assurances and support for governance arrangements

While there is reasonable ongoing administration of meetings, there is an urgent need to address some long-standing concerns around assurance arrangements at board and committee meetings, including ensuring an agreed position on the level of risk the board is prepared to tolerate within the services it delivers. There is also a need to strengthen and stabilise arrangements around the Office of the Board Secretary.

- 29 The Health Board's board and committee meetings typically demonstrate appropriate "administrative governance" arrangements. Agendas and papers are largely published on time, meetings are routinely quorate and include key administrative tasks such as the review and approval of minutes, review and discussion of actions and matters arising and there is reasonable use of public and private sessions of the committees and the board.
- 30 The Health Board has recently reinstated its 'Chair's Group', which enables cross referral of issues between committees and avoids duplication of work. Whilst committee chairs provide good assurance reports to the board, when committees escalate issues to the board, they need to be clearer on the actions they expect the board to take.

- 31 In the previous section we highlighted some significant concerns about the working relationships within the board including those between independent members and some members of the Executive Team. A number of factors appear to be driving Independent Members' behaviours and their style of scrutiny and challenge:
- Quality of papers presented to the board and its committees:** Independent Members have publicly and repeatedly expressed frustrations about the quality of papers and the fact that the Executive has not been able to rectify this. Through our work we have seen that papers are often too long, sometimes not well summarised, do not always highlight issues clearly enough or what needs to change as a result. The Health Board has now introduced a standard operating procedure to strengthen arrangements but needs to ensure that the necessary improvements are properly implemented and sustained.
- The nature of assurances provided:** We have been made aware of several instances where Independent Members feel that responses and assurances provided by the Executive have either failed to acknowledge the gravity of the issue under scrutiny, have incorrectly provided positive assurance, or have failed to deliver on actions previously agreed at board and committee meetings.
- Executives' knowledge of issues under examination:** Some Independent Members told us that Executive Directors are sometimes under-prepared or under-briefed for meetings and indicated that they gain greater assurance when service representatives also attend meetings. We note that committee meetings are now seeing increasing attendance from service level senior managers, which should help provide direct assurance and, over time, would also enable the senior managers who prepare reports to understand better the expectations of committee members.
- An agreed position on risk tolerance:** Our fieldwork has highlighted concerns around differing levels of tolerance for organisational risks between some of the Executive Team and Independent Members. In a unified and cohesive board there would be a common and agreed approach to risk appetite and the level of service and clinical risks that the board is prepared to tolerate. However, at interviews we heard that in some quarters, the Executive are prepared to 'run with' higher levels of service and clinical risk than Independent Members are prepared to accept.
- 32 Collectively these issues appear to have eroded Independent Members' trust and confidence in the Executive Team's ability to demonstrate the required operational grip on the key challenges facing the organisation. As noted in the previous section such concerns are driving Independent Members to resort at times to very challenging and direct scrutiny of Executive Team members and to also seek increasingly detailed information on operational issues at the expense of devoting time to more strategic discussions.
- 33 The need for Independent Members to receive the assurances they are seeking on key operational challenges is also resulting in additional layers of scrutiny being created in the case of concerns relating to Ysbyty Glan Clwyd (YGC). A "cabinet" arrangement has been put in place to provide assurance to the board on progress

of the work to address Targeted Intervention issues at YGC. This allows direct challenge on the progress being made on the problems at YGC from the Chair and Vice Chair via frequent cabinet meetings. Given the nature of the concerns, close scrutiny is clearly needed. However, the fact that an additional layer of governance over and above the existing Targeted Intervention monitoring arrangements, and board and committee meetings has been deemed necessary demonstrates where the Health Board currently stands in respect of gaining assurance on key operational challenges.

- 34 Another consideration is the medium through which board and committee meetings are currently held. These have been largely undertaken virtually. However, this may not be the most conducive medium in which to tackle difficult and challenging discussions. It also limits opportunities for informal networking and relationship building that would otherwise occur with in-person meetings.
- 35 Positively, the board and its committees routinely receive information on patients' experiences which can help focus or centre discussion around what matters to the people receiving the Health Board's services. However, the board does not routinely hear staff stories, which can provide equally powerful feedback, particularly when there is such significant strain currently on services and staff. Board member walkarounds have now restarted which can be a useful tool to understand how well services are operating and what staff think. Our structured assessment work found that Independent Members welcome the walkaround approach, but they have differing ideas about their purpose, and some felt that some visits had been 'managed' to provide a more positive picture of services and staff views.
- 36 The Office of the Board Secretary has a key role to play in helping the Executive Team and Independent Members navigate their way through the challenges outlined above and elsewhere in this report. However, there have been capacity constraints within that Office over the last twelve months with vacancies and a long-term reliance on interim leadership arrangements. This needs resolving as a matter of urgency and in that regard it is positive to note that a paper setting out new arrangements around the Office of the Board Secretary was approved by the Remuneration and Terms of Service Committee in December 2022.

The use of board development activities to support a positive and cohesive board culture.

The board has not been able to fully use the most recent programme of board development work to develop the more integrated and effective approach to board working that is urgently needed.

- 37 The worrying issues flagged in this report appear to have been a long time in the making and the Health Board has sought to use board development activities to help address some of the specific challenges it has faced at board level. The most recent programme of board development work has seen the Health Board engage the King's Fund to deliver a programme of work comprising two contracts undertaken between 2019 and 2022³. In November 2022, the King's Fund produced an end of programme review of the board development work setting out its reflections on the programme and the extent to which it had been successful.
- 38 It is interesting to note that the Health Board initially commissioned the King's Fund to run separate workstreams for Independent Member and Executive Team development. The King's Fund themselves noted this was a departure from more traditional approaches to board development that are based more on a whole board approach, and the nature of the King's Fund brief is indicative of the specific challenges that have existed at the board.
- 39 The Executive Team workstream focussed on a need to build a cohesive team and address emerging factions within the team. For Independent Members, the King's Fund focussed on exploring the working relationships with the Executive Team, improving their approaches for holding to account and focusing on collective and individual development. Each phase of the King's Fund work also included whole board workshop sessions alongside the separate Independent Member and Executive Team workstreams.
- 40 As an overall assessment, the King's Fund noted that the board development programme had only been partially successful in promoting effective and integrated working within the board. The Independent Member group presented as cohesive, willing to engage in development and open to reflecting on behaviours and approaches. In contrast, the King's Fund described the Executive Team's engagement as more hesitant, with the Team presenting as 'relatively divided' and trust within the team was generally low.
- 41 It is important to recognise that the board's work with the King's Fund coincided with the significant and unavoidable challenges and pressures brought by the COVID-19 pandemic. This resulted in Executive Team development sessions being necessarily postponed several times. The move to virtual working also created specific challenges for board development working. Nevertheless, other challenges also impacted on the programme's success such as churn and

³ Contract 1 commenced July 2019 and ended December 2020. Contract 2 commenced July 2021 and ended July 2022.

fractured working relationships within the Executive Team and discontinuity in the Board Secretary role with the latter hampering the board's ability to consolidate agreed actions and align the board development work with other relevant improvement activities.

- 42 Given the investment the Health Board had made in board development, it is both concerning and disappointing that the desired aims of more integrated and effective board working have not been achieved. Interviewees told us that some aspects of the board development work were helpful and informative. But we also heard that some sessions didn't significantly help the board move forward. In addition, we heard that whilst there were good commitments made in some sessions, behaviours returned to type in-between sessions and agreed actions weren't progressed effectively outside of the board development sessions.
- 43 Our current work has shown that many of the concerns that prompted the Health Board to engage the King's Fund are still evident, and in some ways have been further entrenched, indicating that much work is still needed in this space. The King's Fund end of programme reflections, while not perhaps reflecting the views of all participants, are informed and insightful and it is important they are used to guide any further board development that is undertaken.

Executive Team and senior management capacity

Churn within the Executive Team has been a constant feature in recent years and the Health Board continues to have an over-reliance on interim roles for key posts in the senior management structure. Urgent action is needed to move to a more stable and sustainable senior staffing model, which must include expediting plans to recruit a new substantive Chief Executive and ensuring the necessary backfill arrangements are in place to support the current interim arrangements.

- 44 Churn within the Executive Team has been a feature in the senior leadership landscape at the Health Board for some considerable time. Since 2019 four different individuals have occupied the Chief Executive role on either a substantive or interim basis, with the current post holder stepping into the interim role for the second time. In the same period there have been four different Medical Directors, five other changes in Executive Team personnel, changes in the role of the Board Secretary and changes to operational portfolios of individual Executive Directors. In addition, the Health Board has recently needed to secure the services of an interim Director of Finance in the wake of the substantive post holder taking leave of absence whilst concerns associated with the 2021-22 accounts are fully investigated.
- 45 The significant churn noted above has created challenges in respect of capacity and continuity of executive leadership and pace of change. It has also, in part, contributed to the Health Board's continued reliance on interim roles within its senior management structure. Whilst this has previously been raised as a cause for concern, the Health Board's use of such posts has grown, linked in part to the

implementation of the Health Board's new operating model. In respect of the latter, we heard concerns about the length of time it has taken to move to implementation and the associated loss of experience and knowledge following staff departures through the voluntary early release scheme and retirement.

- 46 The departure of the substantive Chief Executive, and the interim appointments this has necessitated are creating further immediate challenges in respect of leadership stability and continuity. Some members of the Executive Team who have stepped up into interim roles alongside their substantive roles, are also holding unsustainably large portfolios of responsibilities, which creates risks for the quality and safety of services.
- 47 Currently, the roles of Chief Executive, Deputy Chief Executive, Executive Director of Finance⁴ and Executive Director of Therapies and Health Science are all subject to interim arrangements. There is also substantial use of senior agency interims in nearly all service areas where there are substantial ongoing concerns including:
- Chief Operating Officer/Regional Delivery Director (of which there have been several interim appointments over the past three years)
 - Planned care programme improvement
 - Unscheduled care programme improvement
 - Senior posts in the new integrated health community structure
 - Vascular services
 - Mental health services.
- 48 For some of the above roles, the Health Board has sought to bring in specific management consultant type expertise to provide a knowledge and skill set that it may otherwise struggle to attract through substantive recruitment exercises. Bringing temporary specialist expertise in areas such as vascular services is clearly part of a necessary programme of targeted intervention and service recovery. However, the Health Board urgently needs to move to a situation where it is less reliant on interim roles in key organisational leadership posts. During our fieldwork we heard concerns that recruitment is not timely enough and that succession planning and leadership development is not currently effective enough to build the necessary skills from within.
- 49 We were also concerned to hear that the appointment process for some very senior interim appointments has not been fully compliant with Health Board policy. Whilst it is beyond the scope of this review to examine these concerns in detail, the board will need assurance that arrangements covering the appointment of interim posts fully comply with the necessary policy and procurement requirements and that the roles, responsibilities and authorities of such post holders are clearly understood by all parties.

⁴ The Health Board appointed an interim Executive Director of Finance in December 2022.

- 50 The recruitment of a substantive Chief Executive with the right skill set to help turn the organisation around is clearly now crucial. However, the Health Board has been slow to set up the recruitment process. Even though the previous substantive Chief Executive announced her intention to depart the organisation at the beginning of September 2022. The final shortlisting for contracting a recruitment partner only occurred in December 2022, and the actual recruitment process will not start in earnest until February 2023. Even allowing for the Christmas period, it is surprising that there was not more urgency in setting up the recruitment process considering that there is typically a lengthy lead in process in getting a new Chief Executive on board. The Health Board must now expedite plans to recruit a substantive Chief Executive as a matter of urgency and we understand that progress is being made on that front.
- 51 We are also concerned about the stability within the Finance Directorate. As a result of our financial audit and the subsequent review by Ernst Young, a number of senior staff in the Finance Directorate have taken a leave of absence. Further work is currently underway by NHS Counter Fraud Service Wales, and this may take time to complete, leaving the senior leadership within the finance team significantly diminished. The Health Board has recently appointed an Interim Executive Director of Finance. The Health Board must act urgently to bolster other senior staff capacity in the Finance Team to mitigate the impact on business continuity. In addition, the Health Board needs to ensure that it effectively responds to the issues arising in our Audit of Accounts report for 2021-22 as part of preparation of the 2022-23 accounts, the findings from the Ernst Young review, and findings from any potential related counter fraud reporting.

Performance accountability arrangements

On-going action is needed to ensure accountability arrangements are resulting in the necessary improvements to services and corporate arrangements

- 52 Our review established that the Health Board's Remuneration and Terms of Service Committee had raised concerns about the setting of objectives for Executive Team members, noting that there was an imbalance of objectives across the team, insufficient focus on outcomes and insufficient links between Executive objectives and corporate priorities. There was also concern around whether the objectives could be used effectively to performance manage under-delivery.
- 53 We understand that progress has been made to address these concerns. Notwithstanding that, this is an area that will need to be kept in close view given that the last 12 months has seen a deterioration in the financial position, deteriorating organisational performance and on-going concerns around quality of services in some specific areas⁵. Accepting that many factors will be contributing to

⁵ Noting that the Health Board is currently receiving additional Welsh Government allocation of £82 million per annum as part of targeted intervention funding.

these challenges, the board needs to have assurance that executive level performance accountability approaches, both collectively and individually, are effectively driving the required improvements.

- 54 More broadly, our structured assessment work has indicated that organisational performance accountability arrangements also require strengthening. The Health Board uses accountability meetings as part of its performance management arrangements to oversee progress and provide challenge on performance. There has been inconsistency in the approach and frequency of these meetings over the last 18 months with accountability meetings stood down from November 2021 and, we understand, not reintroduced until June 2022.

Closing comments and immediate areas for action

- 55 This high-level report describes a deeply worrying degree of dysfunctionality within the board and senior leadership of Betsi Cadwaladr University Health Board. It comes at a time when the Health Board faces unprecedented challenges in relation to demands on its services at the same time as long-standing concerns about the performance, quality and safety of a number of specific services.
- 56 In the context of such challenges the Health Board needs senior leaders on its board and in particular its Executive Team members, to demonstrate a unified and cohesive approach that drives the immediate and longer-term actions that are necessary. This will be essential if the Health Board is to make effective use of the significant sums of strategic funding assistance it has received from Welsh Government as part of a Targeted Intervention framework. Working relationships between Independent Members and the Executive Team need to be built on respect, trust, candour, clear accountability and constructive challenge. They also need to be rooted in clear agreement on the level of risk that the board is prepared to tolerate in respect of the quality and safety of services.
- 57 Currently the board has a long way to go before it can demonstrate the attributes outlined above. Deep seated fractures within the Executive Team need to be resolved and trust rebuilt between the Independent Members and the Executive Team. The recruitment of a substantial Chief Executive with the right skill set and experience is going to be crucial and needs to be expedited along with an approach to senior workforce planning which places much less reliance on interim roles.
- 58 It is doubtful that the Health Board can make the necessary improvements without external intervention and the Welsh Government will need to use the current Escalation and Intervention Framework to support the urgent improvements which are necessary. In doing so, the findings from this review will need to be considered alongside those of other reviews in response to serious concerns, and which may lead to specific actions in their own right.

59 In the section below we set out the key areas where urgent action is needed to address some of the fundamental challenges our work has identified.

Immediate areas for action

60 A number of immediate areas for action are identified below in **Exhibit 1**.

Exhibit 1: immediate areas for action

Responding to independent reviews and investigations

- Take the necessary action in response to the findings from the investigations into whistleblowing disclosures that relate to Executive Directors and senior management (noting that any actions in respect of concerns about Independent Members would be matters for the Minister).
- Resolve quickly any issues arising from the Ernst Young review.
- Fully support any investigations the National Counter Fraud Service need to undertake in response to the Auditor General's audit of the 2021-22 accounts and the subsequent Ernst Young review.

Rebuilding and strengthening senior leadership capacity

- Expedite plans to recruit a substantive Chief Executive Officer as a matter of urgency.
- Critically review the use of interim senior appointments and management consultants with a view to reducing reliance on such appointments within the senior leadership structures.
- Act urgently to bolster senior staff capacity in the Finance Team to mitigate the impact on business continuity.

Building a more cohesive and effective board and Executive Team

Take urgent action to create a more collegiate and unified approach to leadership of the organisation, which involves:

- Repairing / addressing the working relationships within the Executive Team.
- Ensuring the Executive Team understand the concerns held by Independent Members over performance and assurances received, including issues relating to the quality of papers presented to the board and its committees.
- Ensuring that Independent Members understand Executive team concerns about the impact of overly robust challenge, with the aim of moving to a 'high support and high challenge' leadership approach.
- Establishing an agreed level of risk appetite and tolerance between Executives and Independent Members.
- Establishing a working environment and culture at board and its committees that promotes transparency and maintains the correct balance between scrutiny,

challenge and support, reflecting the organisation's expected values and behaviours.

- Using appropriate external facilitators and mediators to work through the above issues as part of a wider board development programme which is informed by the King's Fund's reflections on the previous board development programme.
- Aligning Independent Member portfolios to Executive Director portfolios to support information and knowledge sharing.

Appendix 1

Audit approach

Exhibit 2 sets out the approach we adopted for delivering our board effectiveness review at the Health Board.

Exhibit 2: audit approach

Element of audit approach	Description
Observations	<p>We observed meetings of the following:</p> <ul style="list-style-type: none">• The Board, August 2022, November 2022, January 2023.• Performance, Finance and Information Governance committee, December 2022, January 2023.• Partnerships, People and Population Health committee, January 2023.• Quality, Safety and Experience committee, January 2023.• Audit Committee, January 2023.
Documents	<p>We reviewed a range of documents, including:</p> <ul style="list-style-type: none">• Board and Committee agendas, papers, and minutes.• Executive Management Team agendas.• King's Fund end of programme review.• Reports prepared by the Internal Audit Service, Healthcare Inspectorate Wales, Local Counter-Fraud Service, and other relevant external bodies.

Element of audit approach	Description
Interviews	<p>We interviewed each member of the board individually. This included every Independent Member and Executive Director.</p> <p>In addition, we interviewed the Integrated Health Community Directors for the three regions: east, centre and west.</p>
Structured assessment 2022	<p>We drew appropriately on work already undertaken as part of the Auditor General's 2022 structured assessment at the Health Board.</p>



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