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# HRA Board Effectiveness Review

Presentation of findings to  
the Board – for discussion

Karen Holland, 18<sup>th</sup> January 2023

# Terms of reference

## Rationale for the review

Key principles of Board effectiveness are outlined in the Code of Good Practice for Corporate Governance in Central Government published by the Cabinet Office and HM Treasury. This states that Arm's Length Bodies are '*encouraged to adopt the principles in the code wherever relevant and practical*'.

The Code recommends that '*a board effectiveness evaluation is carried out annually, and with independent input at least once every three years*'. An independent review was last undertaken in March 2020. GIAA was commissioned to undertake the 2023 independent review.

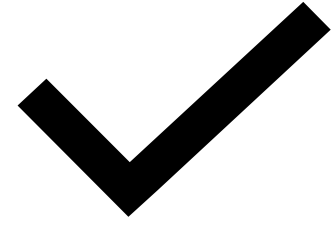
## Objective

The objective of this review was to provide assurance that arrangements are in place (per requirements) to ensure that the HRA has an effective Board which provides leadership, advises on strategic and operational issues and scrutinises and challenges, including on policies and performance.

## Risk

The engagement included an evaluation of the following risk: *There is a risk that arrangements are not in place to enable the HRA Board to discharge its responsibilities effectively, resulting in unclear oversight structure, limitations in capability and the inability to achieve strategic aims.*

# Overall assessment



The requirements of the Code of Good Practice for Corporate Governance - where relevant for HRA as an ALB are being met. All required responsibilities are being suitably discharged.

In the spirit of continuous improvement we have identified a few opportunities to further enhance the effectiveness of arrangements.

- There are appropriate arrangements in place to enable the Board to discharge its responsibilities fully including an effective secretariat function.
- There are clear terms of reference for the Board as set out within the 'Standing orders, reservation and delegation of powers and Standing Financial Instructions' for HRA.
- The board meets sufficiently frequently and there are further interactions between meetings in particular the CEO and Chair meet regularly.
- The Board appropriately advises on strategic and operational issues as well as scrutinising and challenging on policies and performance. Risk is appropriately considered.
- There is a good balance of skills and experience across the Board membership. Board membership is at full complement.
- Incremental changes and improvements are made to the way that the Board operates as and when the Board identifies these e.g. the introduction of the deep dive sessions).
- Training and induction arrangements are in place and action is taken to keep members aware of key business developments.
- Member conflicts of Interest area appropriately declared and taken account of.
- The Board operates in a very transparent way with meetings, papers and minutes open to public consumption.

# Board Culture - as described by Members

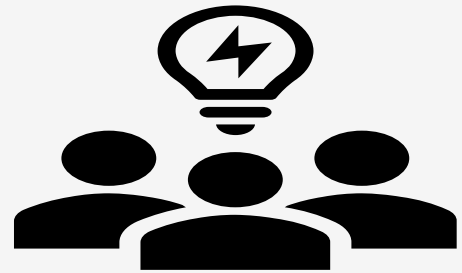


# Suggested Actions – for discussion

## Subject

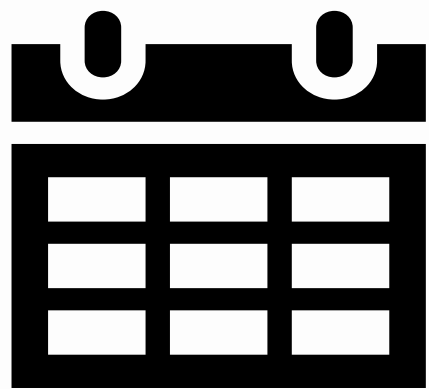
## Action

### Shared Vision



The Board should set out its vision of what it is aiming to achieve, how and by when so that there is a shared understanding and agreement on strategic priorities and the pace needed to achieve these.

### Forward Agenda



Outline a forward Agenda for the Board that takes account of priorities per the vision. This should include sufficient time to address the Board's agreed priorities alongside the usual operational and performance activities. Ensure that there is a blend of interactions including time for less formal get togethers. Make clear the purpose of the various sessions.

### Roles & Responsibilities



Take this opportunity to re-affirm roles and responsibilities for Board Members – beyond that set out in the Terms of Reference. Take account of any champion or lead roles especially those newly agreed in respect of the HRA Strategy. Make it clear who is expected to attend each Board interaction per the Forward Agenda.

# Suggested Actions – for discussion

## Subject

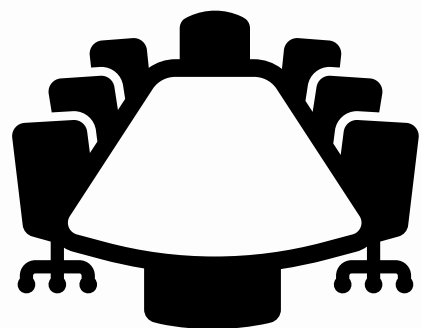
## Action

### Board Papers



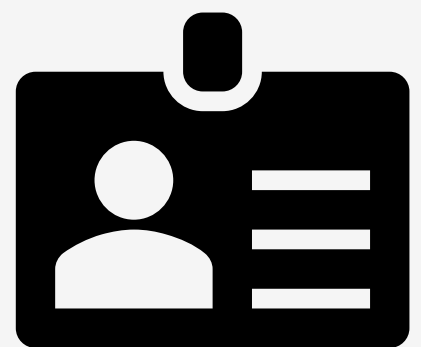
Further shape Board papers (particularly those covering more strategic topics / that are not routine e.g. on performance) by having clarity on the key question needing to be answered and the key questions being asked. Require that they are outcome focused and ideally linked to the agreed Vision. Reinforce the need for brevity.

### Board attendance



Provide some decision making and reflection opportunities for Board members only. There are a number of ways of handling this. For example, this could be achieved by the Private Board session being limited to members or parts of the two planned strategy days being set aside for this purpose.

### NED appointments



Work with the Department of Health and Social Care's Sponsor Team to put together a strategy for succession planning so that HRA does not lose valuable NED insight when it is needed. The plan should include staggering recruitment exercises and allowing time for hand over (shadowing) between members. It should also cover the desire to ensure diversity of membership. A contingency plan for handling any potential delays in recruitment should be incorporated.



# Suggested Actions – for discussion

## Subject

## Action

### Public Meeting



Consider your current approach to public attendance at Board meetings in the round of other patient involvement opportunities being made available to determine what works best. If you continue with the open invite to the public they might feel more engaged if they were able to freely ask questions at some point in the meeting.

# Next steps

We will:

- reflect on the discussion today and further shape the proposed actions if necessary;
- issue a draft report on the review – i.e. an expansion of the presentation today – for formal consideration;
- Seek completion of the Board Effectiveness Action Plan included within that report;
- issue a final version of the report which can be shared with the Audit and Risk Committee (as this review featured on the audit plan for 2022/23 and they will monitor action implementation) and other key stakeholders including the DHSC Sponsor Team.;
- Be available to answer any questions members might have as you start to implement the actions.





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## Find out more

For more on the GIAA and what we do,  
go to [giaa.gov.uk](http://giaa.gov.uk)

## Contact for this review

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