



TALLAGHT HOSPITAL
BOARD EFFECTIVENESS REVIEW

June 2015

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1.0 EXECUTIVE SUMMARY OF RECOMMENDATIONS:

1. Board Composition

Recommended Action Points:

- Re-title Governance Committee as Governance and Board Development Committee and review its size and composition.
- Committee to commission Skills Audit and Competency Needs Analysis (CNA).
- Future training and recruitment to be guided by CNA.
- Fill existing vacancies as soon as practicable, taking pointers in Para 6.2.1 as a guide.
- Address Board development. Consider an Away Day with focus on Strategy and Governance topics.

2. Contribution and Effectiveness

Recommended Action Points:

- Continue current work on completion of Strategy, including associated risk assessment.
- Consider how Board's engagement with Strategy can be expanded.
- On completion, use Strategy to drive the Board Agenda.
- Consider Board and Committee functioning in context of strategic priorities identified.

3. Board Committees and Chairs

Recommended Action Points:

- Address current ambiguity around roles and functioning of Audit and QSRM Committees.
- Address induction needs of external members of committees.
- Review competency needs and composition of all Committees. Add where necessary.
- Review Committee Structure in context of Board priorities out of Hospital Strategy.
- Review frequency/duration of Board and Committee meetings in relation to needs.

4. How the Board Works together

Recommended Action Points

- Board to consider incorporating private time into each Board Meeting.

- Board to consider whether existing strength of SMT should be present for entire Board Meeting.

5. Board Processes

Recommended Action Points:

- Board to adopt protocol on circulation of Board Pack, to cover timing and treatment of complexity.
- Board to adopt protocol on minute preparation/approval/circulation.
- Board to ensure Internal Audit Charter and Plans are updated and approved at least annually and to ensure the Internal Audit function is adequately resourced to give the Board confidence that all internal controls for risk management are working effectively.

6. Stakeholder Engagement

Recommended Action Points:

- Build stakeholder mapping and engagement into Strategy Development.
- Use this process as a baseline for more rigorous on-going engagement with wider group of key stakeholders.

2.0 INTRODUCTION

The Board of Tallaght Hospital engaged Empeira in 2015 to carry out an independently facilitated evaluation of its effectiveness and that of its Committees, by reference to the scope criteria summarised in Section 3.0 below.

The Board comprises nine members, none of whom are employees (two other appointments are due to be made on completion of the Board Effectiveness Review). However, save in exceptional circumstances, the CEO and members of the Executive Management Team attend and participate in all Board meetings.

The external review fits into a three year cycle with an annual internal review in the intervening years.

The evaluation was designed to:

- Monitor and help improve performance
- Maximise strengths, and
- Highlight areas for further development

Acknowledgements

We wish to acknowledge the valuable contributions of all members of the Board, external members of Board Committees and the Executive and Senior Management Team during the full duration of the Review. We also want to acknowledge the valuable time and input invested by the Chairman and the CEO to facilitate this Review and thank the Board Secretary for acting as a very effective liaison and facilitator through the entire review process.

Empeira Team

The consultants, who carried out the Board Effectiveness Review for Tallaght Hospital and who authored this Report, are Michael Kelly and Donal Keane. Both are Certified Corporate Governance Assessors and are Principals of Empeira Corporate Governance Advisors.

3.0 SCOPE AND LIMITATIONS

In line with the agreed scope, the assessment focused on the following:

Areas Considered	
Overall composition to confirm that the Board has:	a) the right mix and currency of skills and experience b) is suitably diverse c) whether the Board is undertaking adequate development and succession planning
The contribution and effectiveness of:	a) the Chair b) individual members c) committees, including their link to the main Board d) committee chairs
How the Board works together:	a) tone set by Chair and CEO and overall Board dynamic, incl. the freedom to challenge, valuing of diversity, Board behaviours b) quality of board deliberations, including strategic or contentious items c) quality of key relationships <ul style="list-style-type: none"> • Chair/CEO; • Chair/Committee Chairs; • Executive and non-Exec members d) relationships with the senior management team e) the effectiveness of the secretary and secretariat
How the Board processes work:	a) the clarity and impact of the Board's strategic leadership b) quality of information flow to the Board, incl. papers and presentations c) clarity of decision processes and authorities d) Board engagement with and oversight of hospital performance e) Board engagement with and oversight of risk management
How the Board:	a) communicates with stakeholders and responds to their concerns b) manages induction of new members and on-going development

In our assessment, we have been mindful of the Hospital's obligations under the Code of Practice for the Governance of State Bodies and the HSE Framework for the Corporate and Financial Governance of the Executive for Section 38 Agencies, but our scope did not extend to a full compliance audit. We have noted the Board's obligation to provide an Annual Compliance Statement to the HSE and understand that this is currently in preparation. We are satisfied that all of the recommendation we are making in Section 6 are consistent with best practice as set out in the relevant codes and can be implemented within the boundaries of the Hospital Charter. While the Code of Practice for the Governance of State Bodies does not apply directly to the hospital, under its contractual arrangement with the HSE, the Hospital is expected to import relevant aspects of that Code into its own governance framework. We have also been guided by the governance recommendations in the HIQA Report of May 2012.

4.0 APPROACH

The review was conducted during April-May 2015 and comprised three inter-related, evidence-based processes, namely:

- Analysis of self-rating surveys of Board and Committee effectiveness
- Review of sample Board Documents and Records to verify or question the survey findings and validate the quality of board processes
- Interviews with Board Members, Chair, external Committee Members, Chief Executive, other Executive and Clinical Leads to probe any issues arising and validate preliminary conclusions from earlier stages

In the following sections we present the findings from the survey (Section 5) and our more general conclusions and recommendations flowing from analysis of findings from all stages of the review (Section 6).

A more detailed scope of the stages of the Approach employed may be found at Appendix 1.

5.0 SURVEY RESULTS

As part of the preparation for this review, a governance self-evaluation questionnaire was circulated to all Non-Executive and Executive members of the Board. The questionnaires were completed and returned prior to commencement of the Effectiveness Review.

The ratings in the survey are based on a scale of 1.0 to 5.0 where practices rated:

- Above 3.6 (yellow) are considered acceptable
- Between 2.6 and 3.5 (orange) require some remedial attention
- Below 2.5 (red) are unacceptable and require immediate corrective action

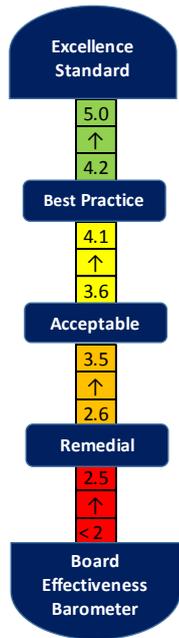
Based on our experience of conducting such surveys, we have concluded that a rating above 4.2 (green) is consistent with best practice.

An average score of 4.0 reflects very positively on the Board's overall performance but as revealed in table 1.0 below, this average masks significant variation across individual headings. There was a high level of consistency between the issues of concern reflected in the survey results and the matters raised in subsequent stages of the review. No unacceptable practices are identified.

In the following paragraphs we outline the high level results from the survey and more detailed results are presented in Appendix 2.

Detailed polling of the questionnaires showed the following results:

- There was a 100% response rate with all 9 Non-Executive and all 9 Executive members of the Board completing the survey.
- Board members were asked to score the Board in response to each question on a scale of 1-5, with 1 representing the low and negative end of the scoring scale and 5 representing the optimum score.
- In the polled results contained in Table 1 below and throughout all tables at Appendix 2, the self-evaluation ratings are separated into two columns between a) those ratings scored by the nine Non-Executive Board members and b) the overall ratings, which is a combination of the ratings of the nine Non-Executive members of the Board and the ratings of the nine members of the Executive team that generally attend all Board meetings.



	Survey Category	Non-Executive Rating	Exec + Non-Exec Ratings
1	Clarity About Board’s Role	3.6	3.6
2	Board Competence	4.0	3.9
3	Board Dynamics	4.5	4.5
4	Control & Administration	4.0	3.8
5	Board & Hospital Committees	3.9	4.0
6	Communication	3.5	3.4
7	Chairing of Board	4.5	4.5
8	Overall	4.0	4.0

Table 1: Category Summary of Self-Evaluation Questionnaires

In total there were 52 questions on Governance put to Board members, across 7 different categories:

- Clarity about the Board’s role (5 Questions)
- Board Competence (12 Questions)
- Board Dynamics (4 Questions)
- Control & Administration (9 Questions)
- Board and Hospital Committees (9 Questions)
- Communication (4 Questions)
- Chairing of the Board (9 Questions)

A detailed analysis of the self-evaluation results may be found at Appendix 2. In addition to responding to each question with a rating, Board members were also asked to state what they believed was i) working well, ii) what was not working well and iii) what could be done better in terms of Board Governance of the hospital. These responses were collated to determine the key points raised by board members in order of commonality. These points are listed below.

What is Working Well:

1. New Format of Board meetings – where Strategy is now separated out with 4 meetings in 2015 dedicated to discussing the strategy of the Hospital.
2. The level and high quality of information provided to the Board by management.
3. The strong constructive working relationship that exists between the Board and Management.

What is not Working Well:

1. Lack of focus on Strategy issues.
2. Training and Development of Board members.

What Could be Done Better:

1. Greater emphasis on Strategy.
2. Managing external communications.
3. Increased participation of some members at Board meetings.
4. Board papers could be circulated in a more timely manner.

Overall the Board is deemed to be working well with an overall score of 4 out of 5. When broken down by category, the only category which fails to reach the acceptable threshold is how the Board manages its 'Communications and Stakeholder Engagement'.

When each category is viewed in greater detail, in terms of the individual questions put to members, the following observations have been made:

a) Clarity about the Board's Role.

The overall score was 3.6 both from the Non-Executives and 3.6 (including Executives) which points to there being an acceptable standard of clarity surrounding the role of the Board.

However two remedial scores relating to strategic planning (3.2 score from non-Executives) and the time spent on strategy (2.8 from Non-Executives) indicate that an increased focus on strategy at Board level is required.

b) Board Competence

Overall the score was 4.0 from Non-Executives and 3.9 (including Executives), suggesting a high level of satisfaction with the current level of competence.

There was a relatively high degree of clarity surrounding the role of the board Secretary (4.2 from Non-Executives). Certain questions recorded remedial scores, and require attention, i.e. Board members having access to necessary training and development (2.6 score from Non-Executives and Executives combined) and the contribution being made by Board members to the discussions and actions of the Board (a score of 3.5).

c) Board Dynamics

The score for the dynamic on the Board was 4.5 from the Non-Executives and 4.5 including Executives. The score puts the Board at the level of best practice in dynamics.

d) Control and Administration

The average rating achieved was 4.0 (from the Non-Executives) and 3.8 (including Executives), suggesting the Board's processes of control and administration are rated at an acceptable level of Governance.

Non-Executives scored the quality, accuracy and timeliness of Board papers at 3.9, which is at the acceptable level. However on the question of arrangements to address management planning and succession planning the Board achieved a remedial score of 2.8 (from the Non-Executives and Executives combined) and this requires attention.

e) Board & Hospital Committees

The average rating from the survey saw a score of 3.9 (from Non-Executives) and 4.0 (from the full Board), which indicates that the Board and its Committees function at above the acceptable level.

The questionnaire points to only a remedial level of acceptance from Non-Executives (score of 3.5) on there being sufficient members with relevant experience on Board Committees (including Executives this scored 3.7). This issue was also raised in the self-evaluation forms completed by various Committees of the Board and was confirmed in interviews with Board members. The performance of the Remuneration and Terms of Service Committee ranked

lowest amongst the Committees that were rated, though it is still above the acceptable performance threshold.

f) Communication

This is the only category in which the average rating for the Board scored below the acceptable standard (3.6 from the non-Executives and 3.5 including Executives). On closer examination the Board scored lowly in terms of having clearly identified relevant stakeholders (3.5 including Non-Executives and Executives), how the Hospital communicates and interacts appropriately with all stakeholders (3.0) and that the hospital has the protocols and policies in place to ensure that communications are coordinated and consistent (3.2).

g) Chairing of Board

The Chair is rated at the excellence standard level, achieving an average rating of 4.5 from both Non-Executives and the Non-Executives and Executives combined. This suggests that the Chair has fostered a strong relationship of trust between Board and management, balances Board time, Board issues and Board contributions effectively, and works constructively and fairly with management, Board Committees and stakeholders.

6.0 FINDINGS AND RECOMMENDATIONS

6.1 Overview

The Board has gone through a period of significant change, and is embarked on a journey of continuous improvement in articulating and acting out its role of providing leadership, direction and control in Tallaght Hospital. Hospitals are complex organisations which can present considerable challenges in their leadership and management. All of the evidence we have examined points to an engaged Board, which takes its responsibilities seriously, works effectively with Executive and Clinical leadership in the Hospital, and is actively addressing the range of governance issues identified in the relevant Governance Codes. Our overall conclusion is that the Board is discharging its governance role effectively, but could achieve further improvement by following up on the action points we identify in the following paragraphs.

Any suggestions we make under the headings below, should be considered in this general context.

We have presented findings under the same headings as set out in the scope summary in Section 3.

6.2 Overall Composition

6.2.1 Competency Needs

In looking at Board competency requirements generally, our experience is that three broad areas need to be addressed:

- Sectoral and/or Technical
- Business and Governance
- Strategic Planning, Change, Innovation

From the Board Survey, Board Members believe that ‘there is a good balance of disciplines and experience on the Board’. However, the strong support expressed for the ‘appointment of a Nominations Committee to appoint the skills mix and skills needs of the Board’ suggests a level of concern about getting Board composition right.

Within the current membership, our assessment is that sectoral, business and governance competencies are relatively strongly represented on the Board. Technical in this context would embrace clinical and related professional backgrounds, which are not strongly represented in

the current Board membership. From this perspective, and given the relatively small size and composition of the (non-executive) board, we conclude that there is a continuing rationale for the inclusion of Senior Management Team (SMT) members at Board meetings to ensure that the required strength in sectoral and clinical competency is secured. However, we would also suggest that analysis of future needs should explicitly consider inclusion of these competencies in the Board's own composition.

While the current board meeting configuration (Board +SMT) has many advantages, is widely supported by Board Members and reflects a balance, both in numbers and competencies, we are conscious that it may also pose some challenges in establishing an appropriate level of constructive tension in the Board-Executive relationship. From our engagement with the Board, it is clear that it is cognisant of the need for an appropriate balance in this key set of relationships. We suggest in Para 6.5.4 two measures, which we believe could underpin the Board's position, while preserving the obvious benefits of close working relationships.

Given the Hospital's on-going engagement with strategy development and the emerging challenges around Hospital Group formation and functioning, we believe that additional strength under the 'Strategic/Change/Innovation' heading would add value. Our discussions with Board members also suggested that the Primary Care and Service User perspectives could be strengthened on the Board. We note that there are currently two vacancies and would recommend that these be filled as soon as practicable, taking these priority needs as pointers.

We emphasise that this reflects a high-level analysis only and we note that the Governance Committee has itemised Board Development, which we take to include recruitment and training, as one part of its future agenda. We recommend that the Governance Committee be tasked with conducting a more detailed Competency Needs Analysis, as the foundation for its future work programme on Board Development. This should include a skills audit as well as a statement of future needs. Any Competency Gap identified would be addressed through Board development and recruitment, with nominating bodies being asked to put forward candidates meeting particular competency profiles. To fully reflect its role in this regard, the Committee might usefully be re-titled as 'Governance and Board Development'.

Prompted by the survey scoring and previous HIQA recommendation, we raised the question of Board Development in our discussions with Board Members. There is wide support for a stronger initiative in this area and in particular in the further understanding of the operational aspects of the Hospital. While the Board Survey suggests that members believe they have the requisite experience and skills, it is significant that the lowest score of the entire survey (2.6) is given to 'access to necessary training and continuing education'. The definition of particular needs lays beyond the scope of the current assignment but, as a starting point, there was broad support for the principle of an 'Away Day(s)' to focus on Strategy, Governance and other Special topics. These needs could be considered in the context of, or as an alternative to, the four 'special topic' meetings already scheduled on the Board Calendar. As noted in Para 6.3.2 below, the development of the Hospital's strategy, in particular, is likely to require a significant allocation of time outside of routine Board meetings.

6.2.2 Term and Rotation of Board Appointments

Best practice guidance on duration of board appointments suggests a **maximum** duration of three terms of three years, with any appointment beyond six years subject to particularly rigorous review, in line with the UK Code of Governance. We note that the HSE has adopted the 3x3 years formula in its governance requirements for Section 38 Agencies. This aligns with the position now adopted by the Hospital and seems appropriate.

Best practice in Board appointments would also place emphasis on diversity of backgrounds and on orderly transition, ensuring an on-going balance of experience and progressive refreshment of the board. The latter is best achieved through 'staggered' appointment terms, ensuring that a proportion of Board positions is regularly renewed. Again this is aligned with the Hospital's current practice and seems appropriate.

The HSE requirement for a Nominations Committee could be addressed by expanding the brief of the Governance Committee, as above.

Recommended Action Points:

- Re-title Governance Committee as Governance and Board Development Committee and review its size and composition.
- Committee to commission Skills Audit and Competency Needs Analysis (CNA).

- Future training and recruitment to be guided by CNA.
- Fill existing vacancies as soon as practicable, taking pointers above as a guide.
- Address Board development. Consider an Away Day(s) with focus on Strategy and Governance topics.

6.3 Contribution and Effectiveness

6.3.1 Chair

The role of the Chair is to provide leadership to the Board, ensuring that it addresses all of its responsibilities under the relevant Governance Code(s). The duties of the Chair are set out in detail in Part 4 of the Governance Manual (Paras 19-20). All of the evidence available to us from the Board Survey, Document Review and Board Interviews is consistent in confirming that the role is being discharged very effectively. Particular pointers are the evidence we have seen of:

- Clear Decisions at Board Meetings
- Effective relationships with Board Colleagues and Executive Team
- Good Board Process
- Board Members' and Executive Team experience of positive and inclusive board dynamic
- All reflected in high scores from the Board Survey

This conclusion is amplified by the openness of the Chair (and Board) to suggestions for improvement arising from the current exercise.

6.3.2 Individual Members

Again, the available evidence points to a generally positive assessment of the contribution and experience of Board Members. The Governance Manual sets out the general expectations of the Hospital Board (Para 14 of Manual). Subject to comments below concerning strategy development, the minutes of Board and Committee meetings confirm that the Board is actively engaged in addressing all of the matters outlined in the Governance Manual.

The Board Survey suggests:

- An environment of mutual trust and respect
- Openness and candour at Board and Committee meetings
- Inclusiveness in discussions
- Prevalence of constructive challenge and absence of conflict
- High level of transparency in Board process and decision-making

This picture is supported by our interpretation of Board Documents, particularly recording of minutes of meetings. In our interviews with Board Members, some unevenness in the levels of participation in Board discussions was raised. This may reflect different areas of expertise or different personal styles and may resolve naturally over time. If not, some intervention by the Chair may be called for. It should also be considered in the context of Board Development.

One of the issues explored under this heading concerns the overall effectiveness of the Board by reference to the weight it gives to different topics on its own agenda. From experience, we look in particular for concern with Strategy, Performance, Risk and Culture. We also explored the strategic/ operational balance in the Board's agenda. Overall, for the period examined, the Board's activities match expectations, assuming the current exercise on Clinical Strategy is extended into a full Organisation Strategy. This will be necessary if the Board is to comply with the requirement of the Code for State Bodies that "the preparation and adoption of a strategic plan is a primary responsibility of the Board of a State Body".

The Board has already recognised and is addressing the lacuna around Hospital Strategy. The governance role exercised by any board is conventionally centred on the organisation's statement of strategy. The Board's oversight of performance and risk management is usually anchored in its strategic objectives and related business planning, budgeting and control frameworks. In the absence of strategy, a Board runs the risks of fragmented or short-term decision-making and excessive intervention in operational matters, which are properly the role of Management.

The Board Survey scores Strategy as relatively weak (2.8 / 3.2), reflecting the current absence of a formally adopted Hospital Strategy. Board Interviews confirmed a level of discomfort about this and also a desire for more in-depth engagement by Board Members with the current 'strategy building' process. From a governance effectiveness standpoint, we would endorse the urgency now attached by the Board to completing the Strategy. We have noted the Board's intention to continue beyond the Clinical Strategy into a full Hospital Strategy, addressing all aspects of the hospital's future development and transformation in an integrated programme. The strategy exercise should also provide an opportunity for further dialogue about the Board's own role and development, including its Committees.

Recommended Action Points:

- Continue current work on completion of Strategy, including associated risk assessment.
- Consider how Board's engagement with Strategy can be expanded.
- On completion, use Strategy to drive the Board Agenda.
- Consider Board and Committee functioning in context of strategic priorities identified.

6.4 Board Committees and Chairs

6.4.1 Board Committees

The Board currently has four committees:

- Audit
- Governance
- Quality, Safety and Risk Management
- Remuneration and Terms of Service

From the Board Survey, Document Review and Board Interviews, we would make the following observations about the Board Committees:

- All Committees are seriously engaged with the brief assigned to them by the Board.
- The work done by all Committees is valued by the Board. The relatively lower score given to the RTSC suggests a need to review its brief and composition.
- The work of the Committees is supported by good process and reporting.
- The formal linkage of individual Committees to the Board through timely circulation of Minutes and reporting by Committee Chair is effective.
- Committee Chairs are seen as effective in their roles.

Alongside these positive indicators, we have identified a number of concerns for consideration by the Board:

- The apparent overlap between and ambiguity around the respective roles of Audit and QSRM is already recognized and should now be addressed. One approach might be to assign a defined risk area to QSRM, with a re-named Audit and Risk Committee taking responsibility for the remainder of the 'risk map' and agreeing a protocol to address any areas of overlap. Ideally, the roles of the relevant Executive Leads should be aligned with the brief of the corresponding Committees. Regular liaison between the respective Chairs and Executive Leads should be encouraged.

- The work of the RTSC is seen as somewhat isolated from the mainstream Board agenda. As above, the brief of this Committee may be invigorated through a greater engagement with Transformation and Change in the context of the broader Hospital Strategy. The Committee might also be able to add value in the area of 'Management Development/Succession Planning' which received a relatively low score on the Board Survey. Organisation Development and Culture could also be given additional impetus by broadening the Committee's brief and composition.
- The composition of Board Committees received a moderate score (3.5/3.7) in the Board Survey. The small size of some committees may limit potential value. The Board has recognized the need to reflect the appropriate competencies in committee composition through a combination of Board and Extern members. This should be kept under continuing review with Committee Chairs and Executive Leads, particularly in technically complex areas like QSRM, where some additional Clinical input could be helpful. Some addition to the Governance Committee should also be considered in the context of the expanded role recommended above.
- The Board relies on and values the contribution of external members to its various committees. Feedback from them suggests that some more attention to the induction and preparation of Externs for these roles is indicated.
- Overall, the Board should re-consider the Committee Structure in the context of what it wants to prioritise in Strategy Implementation.

6.4.2 Frequency of Meetings

There is no absolutely right meeting frequency. Each Board needs to establish its own rhythm based on its interpretation of organization needs. The number of Board meetings required will be shaped by the stability of the organization, the volatility of the environment in which it operates, the confidence of the Board and the experience and skills of the Executive Team. A balance must be struck between what is minimally necessary and what adds greatest value, allowing for the investment of time and resources incurred in Board (and committee) meetings.

Most codes require a Board to meet sufficiently regularly to effectively discharge their role. In practice, other than at times of special need (e.g. start-up, crisis or exceptional events) mature organisations tend to opt for 6-8 formal Board meetings per annum. This

may be supplemented by other Board events, e.g. non-routine 'think tanks' or Board development events.

Against this backdrop, the Board should consider whether the current frequency and duration of meetings best meets its needs. In proposing 'away days' above, our assumption is that these would be accommodated in substitution for the 'special topic' meetings currently undertaken. An annual commitment of 25 hours Board meeting time, plus committee meetings would not be excessive, in our view, for an organisation of this scale and complexity.

The meeting cycle for Board committees also needs to be judged by the Board against needs. There is no particular rationale for committees to automatically adopt the same cycle as the main Board. More frequent and intensive committee work should, as a general rule, result in a need for fewer main Board meetings. Given the limited size of the Board and the need to organize Board time to add greatest value, the Board should review the need for the current cycle of committee meetings against the principles set out above.

Recommended Action Points:

- Address current ambiguity around roles and functioning of Audit and QSRM Committees.
- Address induction needs of external members of Committees.
- Review competency needs and composition of all Committees. Add where necessary.
- Review Committee Structure in context of Board priorities out of Hospital Strategy.
- Review frequency/duration of Board and Committee meetings in relation to needs.

6.5 How the Board Works Together

6.5.1 Tone and Dynamic

All of the evidence points to a very healthy dynamic, both within the Board and between the Board and the Executive Team. The same is true of Board Committees. No concerns were recorded under this heading.

6.5.2 Quality of Board Deliberations

Our assessment is based on Board Survey scores and evaluation of inputs, process and outcomes of Board meetings, using Board Packs, recording of decisions, issue logs and Board Survey results as sources of evidence. Board Interviews also probed for any shortcomings. All were consistently positive, apart from the reference to uneven contributions referred to above.

No further concerns are recorded under this heading. One aspect of Board and Committee support which does merit attention, is the timely circulation of papers and we return to this later in Para 6.6.2

6.5.3 Quality of Key Relationships

Creating and maintaining a set of key relationships which is both appropriate and effective is an essential bulwark to good governance. We have already commented on the very apparent positive quality of key relationships at all relevant levels and interfaces. This heading looks in particular at the Chair/CEO, Chair/Committee Chairs and non-Exec/Exec relationships.

Two issues which do have a bearing here are the need to resolve the interface between the Audit and QSRM Committees, referred to at Para 6.4.1 above and a need we identify for the (non-exec) Board to routinely reserve some private time by itself, which we address in Para 6.5.4.

These two issues apart, no concerns are recorded under this heading.

6.5.4 Relationships with the Senior Management Team

The quality of the relationship between the Board and SMT is reflected in the relatively high scores recorded under Control and Administration in the Board Survey. The attendance by and presentations from management attract particularly strong scores. Overall, this set of relationships is characterised by mutual trust and respect and is reinforced by the highly collaborative nature of the Board-Executive model which has been adopted by the hospital. This model is designed to underpin a shared corporate approach, ensuring that the board is cognisant of the practical impact of decisions it makes and that the SMT are mindful of the governance needs of the hospital in their actions. The available evidence suggests that the model works effectively and Board interviews confirmed a very positive perception by all parties of the healthy state of this key set of relationships.

As noted earlier, one of the challenges associated with this model of governance is whether it generates the appropriate level of constructive tension in the relationship between Board and SMT. Another is whether it is entirely consistent with the of degree of separation of roles implied by the Code of Practice for the Governance of State Bodies.

Given the consistency of evidence that the model works effectively, and particularly against the background of earlier experience in Tallaght Hospital, we do not see a justification for any radical departure at this stage. However, we are proposing two measures for consideration by the Board which we believe would clearly signal its distinct governance role and responsibilities under statute and the Code of Practice for the Governance of State Bodies. We consider that the Board should:

- Routinely take a period of private time, with no executive presence, at the start of every Board meeting. This could be used to establish if there were any particular concerns by Board Members and to allow for a brief preview of particularly urgent or sensitive agenda items. It could also establish if there were any performance concerns on the part of Board Members. The exact use of time could develop with practice and where no issues arise, the main meeting could proceed.
- Consider whether the current strength of the SMT should be present for the entirety of each Board meeting or whether a core group (as recommended by HIQA) is sufficient, with other members of the team attending for particular items on which they report or present.

Both propositions were discussed during Board Interviews. The former attracted wide support, while views on the latter were more mixed.

6.5.5 Board Secretary

Alongside other improvements in governance, the role of the Board Secretary has been refined and seems to meet with high levels of satisfaction. The role is given specific attention in the Governance Manual (Paras 22-26) and our assessment is that all aspects of the role are attended to satisfactorily. Some aspects of the role, e.g. coordination of the Annual Report have been assigned to the Deputy CEO more recently.

The Board Survey shows a relatively high score (4.2) for clarity and shared understanding of the role. Board Interviews reflected high levels of satisfaction with performance of the role.

Board processes appear to work efficiently and the standard of Board documentation attracts favourable comment from Board Members.

Two aspects of the Secretariat role that have surfaced, concern the timely circulation of the Board Pack and the process for formalizing the minutes of Board meetings. Both are addressed in Para 6.6.2 below.

Recommended Action Points

- Board to consider incorporating private time into each Board Meeting.
- Board to consider whether full strength of SMT should be present for entire Board Meeting.

6.6 Board Processes

6.6.1 Clarity and Impact of the Board's Strategic Leadership

Under this heading, the analysis would usually seek to follow the trail from strategy formulation to oversight of implementation and seek confirmation of the Board's active role in both. While there is ample evidence of oversight by the Board of performance, quality and risk, this takes place in the absence of a formal strategy. The adoption of a Hospital Strategy, already on the Board's agenda, will be essential in accentuating the Board's role under this heading.

6.6.2 Quality of Information Flow

As noted earlier, the quality of Board documentation is high. The Board Survey gave a relatively high score (3.9) to the statement that " Board papers are concise and distributed in a timely manner in advance of meetings and Board minutes accurately reflect meeting discussions and decisions/actions".

However, Board Interviews revealed a level of discomfort in two areas. The primary issue was about timely circulation of the Board Pack, to allow time to absorb and reflect on content. On examination of a sample of Board Packs, it is clear that significant allocation of time would be required for preparation and a norm of 7 days in advance of meetings is recommended for circulation. Where, exceptionally, additional documents have to be circulated at short notice, they could be accompanied by a short memo summarising the issues for Board decision and the reason for urgency.

A second point concerned the level of complexity of some documentation for non-clinical Board Members and the possibility of accompanying large technical documents with a shorter 'plain language' statement of the main issues for consideration. The need for doing so might be considered further by the Board collectively.

The timeliness of circulation of minutes was also raised by some Board Members. One way of approaching this is to adopt a 2x2x2 convention, with two days allowed for each of initial draft, clearance by Chair and clearance by Board, leading to approved minutes within one week of a meeting. Again we leave the adoption of a protocol on this for consideration by the Board.

6.6.3 Clarity of Decision Processes

All of the evidence points to transparent decision processes with a clear paper trail and process attaching to each item decided by the Board.

Board Members expressed strong approval of the current systems and processes.

Our review of documentation of Board meetings would corroborate this finding.

6.6.4 Board Oversight of Hospital Performance

There is strong evidence of the Board's active oversight of hospital performance through the work of Committees and via consideration of a detailed Integrated Management Report at each Board meeting. Board minutes make it clear that Board Members are actively engaged in questioning and clarifying aspects of hospital performance and this was confirmed in Board Interviews.

6.6.5 Board Oversight of Risk Management

The hospital has adopted a risk management framework covering all aspects of risk. Aspects of this framework are overseen in-depth by the Audit and QSRM Committees.

Both Committees are awarded a relatively high score (4.0/4.1) in the Board Survey. The Chairs of both committees confirm that they take the review of risk management very seriously.

Interviews with the CEO and relevant Executive Leads add further confirmation that this is the case. The Audit Committee is currently responsible for oversight of universal risk within the Hospital.

The Hospital has an in-house Internal Audit Facilitator that reports directly to the Audit Committee. The role is independent of hospital management, has direct access to the Chair of the Audit Committee, and to the Chair of the Board if required, and is responsible for

reporting any significant risk issues that arise in the Hospital to the attention of the Board. The Internal Audit Facilitator is also responsible for planning and facilitating all Internal Audits within the Hospital and for presenting the subsequent reports from these audits to the Audit Committee. Currently all Internal Audit Reviews are out-sourced to an External Audit provider, but are coordinated by the Internal Audit Facilitator. A number of audit reviews are carried out each year (8 separate reviews scheduled for 2015), reports are presented to the Audit Committee and resulting issues are dealt with by way of a managed Issue Log and by way of assigned actions through the Audit Committee, as evidenced through the minutes.

The existing framework for Internal Audit works satisfactorily but is tightly resourced in-house. This should be kept under on-going review by the Board.

Recommended Action Points:

- Board to adopt protocol on circulation of Board Pack, to cover timing and treatment of complexity.
- Board to adopt protocol on minute preparation/approval/circulation.
- Board to ensure Internal Audit Charter and Plans are updated and approved at least annually, and to ensure the Internal Audit function is adequately resourced to give the Board confidence that all internal controls for risk management are working effectively.

6.7 Stakeholder Engagement

The Hospital has identified some of its key stakeholders and actively engages with them through, for example, the GP Liaison Committee and the Patient and Community Advisory Council. The publication of Board Agendas and Minutes on the Hospital web-site also facilitates communication with stakeholders. The internal newsletter and external support with media management also reflect a conscious effort by the Hospital to communicate with the relevant audiences.

However, the Board is already conscious that it needs to invest more effort in its engagement with stakeholders. This is reflected in relatively low scores for stakeholder identification (3.6) and interaction (2.9) in the Board Survey. This finding was confirmed in Board Interviews which revealed a level of frustration with the uphill battle involved in projecting positive dimensions of the Hospital's performance.

Stakeholder mapping usually involves a four-step process:

1. Define stakeholder universe
2. Analyse by impact and influence
3. Establish priority groups and means of two-way communication
4. Engage- Leading to on-going relationships

This should form a natural step in the next stage of strategy development. If done well, it should generate an amount of stakeholder support for the Hospital's plans and a better understanding of its needs and ambitions. This initial campaign should provide a baseline for continuing engagement, using a range of approaches and media. The Hospital's advisers on strategy and on communications should be in a position to advise on the best ways to approach this.

Recommended Action Points:

- Build stakeholder mapping and engagement into Strategy Development.
- Use this process as a baseline for more rigorous on-going engagement with wider group of key stakeholders.

6.8 Management of Induction Training and On-going Development

Induction training facilitated by the Chair, CEO and Board Secretary and involving briefings on the work of the Hospital, role of a Board Member and 'walk-around' seems to work well and attracted favourable comment in Board Interviews. However, it will need to be supplemented by provision of on-going development which is more explicitly related to identified needs and competency gaps. As noted earlier, the induction process for external members of Committees also requires more specific tailoring in individual cases.

The need for and general approach to providing further development have already been addressed in section 6.2 above.

Appendix 1

The Four Stages of the Review:

I. Planning and Preparation

Prior to commencement, a project plan was prepared, in consultation with the Chair and Secretary to the Board of the Hospital.

II. Review of Self-Evaluation Survey Results

Self-evaluation questionnaires had already been circulated and completed by the Board members prior to commencement of the review. The review focused on the scores, findings and comments within these questionnaires which had a direct bearing on the scope of the evaluation. The review of the survey results informed the approach to the following two stages.

III. Review of Board Documents and Processes

We examined a sample of Board documents and records to verify or question findings from the survey and to validate the quality of processes used by the Board and its Committees.

Documents reviewed included:

- Board Manual, Board protocols, sample Board and Committee packs, minutes of Board and Committee meetings, Board policies
- Risk Management Framework and Risk Policy documents
- Annual Financial Statements and Annual Reports
- Integrated Management Reports and other reports to the Board
- Internal Audit Plan and Internal Audit Reports
- Progress Report on Implementation of Tallaght Hospital Review
- Issue Logs
- Hospital Charter

IV Interviews with Key Informants

- Interviews focused primarily on establishing the extent to which the Board satisfies the criteria set out in section 2, building on the knowledge gained from earlier stages, including follow-through on any questions they raised. Strengths and weaknesses were identified, as were any remedial or developmental action points.

- We conducted one-on-one interviews with:
 - Chair, Committee Chairs and other Board Members
 - Chief Executive and other Clinical and Executive Leads
 - External Committee Members
 - Secretary to the Board
 - Internal Audit Facilitator

Appendix 2

Survey Results

Overall Summary



	Survey Category	No. Questions	Non-Executive Rating	Exec + Non-Exec Ratings
1	Clarity About Board’s Role	5	3.6	3.6
2	Board Competence	12	4.0	3.9
3	Board Dynamics	4	4.5	4.5
4	Control & Administration	9	4.0	3.8
5	Board & Hospital Committees	9	3.9	4.0
6	Communication	4	3.5	3.4
7	Chairing of Board	9	4.5	4.5
8	Overall	52	4.0	4.0

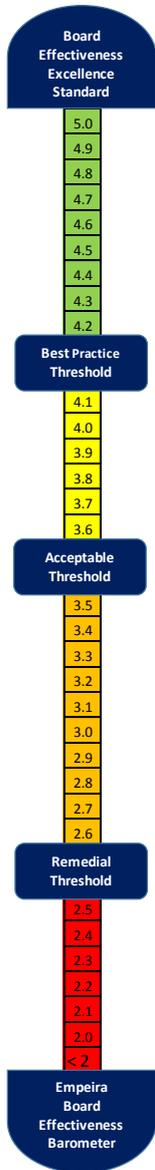
Table 1: Category Summary of Self-Evaluation Questionnaires

Survey Response from Non-Executive Directors of Board: 100%

Survey Response from Executives that attend Board: 100%

Survey Results

Clarity about Board’s Role



Survey Category 1		Non-Executive Rating	Exec + Non-Exec Ratings
Clarity about Board’s Role			
1	Members understand their roles and responsibilities	4.3	4.1
2	Board sets clear goals and actions through Strategic Planning	3.2	3.3
3	Board attends to policy related decisions which guide effective management	3.6	3.6
4	The Board spends sufficient time on Strategy	2.8	3.0
5	Receives regular and relevant reports from Management	4.1	4.2
Average Rating		3.6	3.6
7	Limit of Service is 2*4 Year terms	43%	67%
8	Limit of Service is 3*4 Year terms	57%	33%

Table 2: Survey Category 1: Clarity about Board’s Role

Survey Results

Board Competence

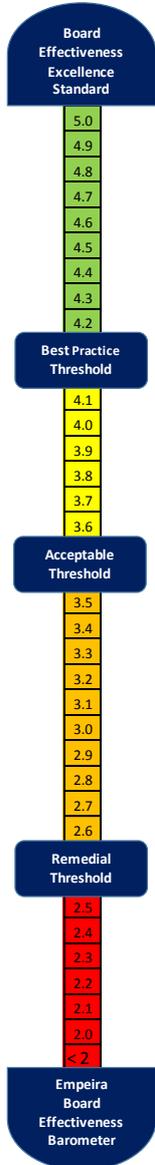


	Survey Category 2 Board Competence	Non-Executive Rating	Exec + Non-Exec Ratings
1	Board members make a full contribution to the discussions and actions of the Board	3.8	3.5
2	There is clarity and shared understanding about the role of: The Chairman	4.4	4.4
3	There is clarity and shared understanding about the role of: Non-Executive Board Members	4.2	4.1
4	There is clarity and shared understanding about the role of: The CEO	4.6	4.6
5	There is clarity and shared understanding about the role of: The Board Secretary	4.2	4.1
6	Board members have the requisite experience	4.0	3.8
7	Board members have the requisite Skills	4.0	4.0
8	Board members are encouraged to raise issues for discussion during Board meetings	4.3	4.4
9	Board member is deemed to have resigned for absences from Board meetings (more than 2 successive or 4 between AGMs) without prior notification to the Board Secretary	3.1	3.4
10	Board members have access to the necessary training and continuing education	2.6	2.6
11	There is a good balance of disciplines and experience on the Board	4.1	4.1
12	The Board should appoint a nominations committee to appoint the skills mix and skills needs of the Board	4.6	4.4

Table 3: Survey Category 2: Board Competence

Survey Results

Board Dynamics

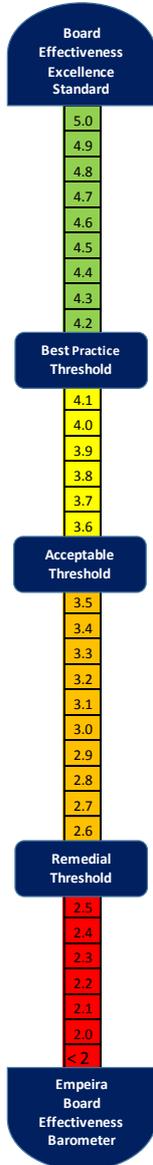


Survey Category 3		Non-Executive Rating	Exec + Non-Exec Ratings
Board Dynamics			
1	Board members actively listen to each other	4.4	4.6
2	Dissenting opinions by members are welcomed	4.3	4.2
3	Board decisions are taken in an open and transparent manner	4.7	4.6
4	Conflict where it arises is well managed and resolved	4.4	4.5
5	Average Rating	4.5	4.5

Table 4: Survey Category 3: Board Dynamics

Survey Results

Control and Administration



Survey Category 4		Non-Executive Rating	Exec + Non-Exec Ratings
Control and Administration			
1	The Agenda reflects the Board’s objectives adequately	3.8	3.7
2	There is appropriate time at Board meetings allocated to important Agenda items	4.1	3.7
3	There is appropriate balance of oversight by the Board between operational performance, risk and regulatory compliance, and financial results	3.8	3.6
4	Board papers are concise and distributed in a timely manner in advance of meetings and Board minutes accurately reflect meeting discussions and decisions / actions.	3.9	3.8
5	The Board monitors management’s implementation of Board decisions.	4.0	3.9
6	Key senior management attend/make regular presentations at Board meetings, as required	4.6	4.6
7	The quality of management presentations at Board meetings is appropriate and meets members expectations	4.2	4.2
8	The board has made appropriate arrangements to address management development and succession planning.	3.1	2.8
9	Corporate risk and regulatory compliance are actively monitored.	4.7	4.3
Average Rating		4.0	3.8

Table 5: Survey Category 4: Control and Administration

Survey Results

Board and Hospital Committees

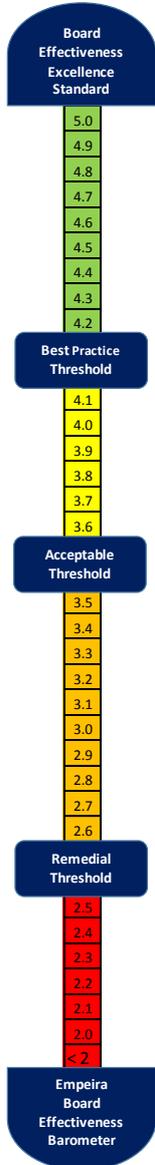


	Survey Category 5	Non-Executive Rating	Exec + Non-Exec Ratings
	Board and Hospital Committees		
1	The roles and expected outputs of Board and other Hospital Committees are clear.	4.0	3.8
2	The performance of Audit Committees is effective.	4.1	4.1
3	The performance Remuneration and Terms of Service Committee is effective.	3.6	3.8
4	The performance of the Quality, Safety & Risk Management Committee is effective.	4.0	4.0
5	The composition of Committees takes account of	3.9	4.0
6	Committee Minutes are comprehensive and accurately reflect meeting discussions and decisions/actions	3.9	3.9
7	Board Committees make appropriate and regular reports to the Board.	4.2	4.3
8	Board Committees have sufficient members with relevant expertise to operate effectively.	3.5	3.7
9	The Board receives regular and timely reports from the Board Committees.	4.1	4.2
	Average Rating	3.9	4.0

Table 6: Survey Category 5: Board and Hospital Committees

Survey Results

Communication



	Survey Category 6 Communication	Non-Executive Rating	Exec + Non-Exec Ratings
1	The Hospital has clearly identified relevant stakeholders.	3.6	3.5
2	The Hospital communicates and interacts appropriately with all stakeholders.	2.9	3.0
3	The Hospital has protocols and policies in place to ensure that communications are coordinated and consistent.	3.4	3.2
4	The utmost appropriate authority is given to maintaining Tallaght's reputation and high level of quality of patient care.	4.1	4.1
	Average Rating	3.5	3.4

Table 7: Survey Category 6: Communication

Survey Results

Chairing of the Board



Survey Category 7		Non-Executive Rating	Exec + Non-Exec Ratings
Chairing of the Board			
1	The Chairman demonstrates a high level of awareness of the issues impacting on Tallaght's patient care, safety, and service and an understanding of performance delivery in the Hospital.	4.6	4.6
2	Board discussions on long and short-term issues is appropriately balanced by the Chairman.	4.4	4.3
3	The Chairman is cognisant of and supports the generation of appropriate and relevant strategic options for the Hospital.	4.4	4.4
4	The Chairman optimises the skills and experience of board members in building board effectiveness.	4.8	4.5
5	The Chairman provides feedback to Board members.	4.5	4.5
6	The Chairman encourages feedback from Board members	4.8	4.6
7	The Chairman fosters a strong relationship of trust with the CEO, Executive Directors, the Senior Management Team, the Medical board and the Clinical Director.	4.8	4.6
8	The Chairman ensures that succession planning is addressed.	4.0	3.8
9	The Chairman plays an appropriate part with the CEO in communicating with the HSE and key external stakeholders.	4.6	4.6
Average Rating		4.5	4.5
	The term of the Chairman should not exceed 1 term of 4 years	86%	6.50%
	The term of the Chairman should not exceed 2 terms of 4 years	0%	87%
	No Limit on the term of the Chairman	14%	6.50%

Table 8: Survey Category 7: Chairing of the Board

Appendix 3

Reference Materials

- Code of Practice for the Governance of State Bodies, Department of Finance, 2009
- UK Corporate Governance Code, FRC, 2014
- Framework for the Corporate and Financial Governance of the Executive (pursuant to Section 35 of the Health Act 2004)
- Report of the Investigation into the Quality, Safety and Governance of the care provided by the Adelaide and Meath Hospital, Dublin, incorporating the National Children's Hospital (AMNCH) for patients who require acute admission, HIQA, May 2012