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Dear Nick

Betsi Cadwaladr UHB: arrangements for interim senior staff appointments

At your 11 November meeting, I advised the Committee that I intended to conduct an audit review of the arrangements that Betsi Cadwaladr University Health Board had put in place when it made several interim senior staff appointments last year.

This work is now complete, and I enclose for the Committee's information a copy of the report that I have issued to the Health Board, and which is being considered by its Audit Committee on 19 March.

My review examined the following five senior appointments:

- Interim Recovery Director;
- Interim Managing Director - Wrexham Maelor;
- Interim Managing Director - Ysbyty Glan Clwyd;
- Head of Planned Care Improvement; and
- Interim Director of Acute Services.

However, given the significant costs associated with the appointment of the Interim Recovery Director and the attention that this had attracted, my review centred on the arrangements for that appointment.

In summary, my audit team found that:

- The Health Board recruited an Interim Recovery Director in June 2019. The role has been filled since 1 July 2019 and will come to an end on 27 March 2020;
- All five of the interim appointments had been made using firms listed on approved framework agreements. This is consistent with the provisions set out in the Health Board's Standing Financial Instructions and its Procurement Guidance for Staff.

- The Welsh Government had agreed to contribute £350,000 towards the cost of the Interim Recovery Director, but played no part in the appointment itself, which had been made by the Health Board before this funding had been confirmed. The decision to appoint was not dependent on securing this additional funding from the Welsh Government.
- Whilst the Health Board had asserted to us that competitive rates were negotiated for the appointment, we found that the £1,890 daily rate being paid by the Health Board is higher than most of the benchmark comparators that had been used by officials during the appointment process.

In contrast to the other four interim appointments, the Health Board had only secured verbal references before appointing the Interim Director of Recovery. However, we noted that both the Health Board's (then) Chief Executive and an independent member of the interview panel had previous experience of working with the successful candidate.

Our [2019 Structured Assessment report](#), published in January, provides some further context for the findings of this review:

- it is difficult to identify the specific personal impact that the Interim Recovery Director is having on the Health Board's financial recovery efforts, given that staff across the organisation are contributing to this in various ways. There are many factors that impact on the position to include timing differences and differences in the nature of any financial savings (some are one off and others recurring).
- we have seen clear financial leadership for recovery, with delegated responsibility of financial recovery and the identification and achievement of savings. The focus by the Health Board on financial recovery, grip and control is stronger than before.
- there remains a significant risk to achieving the £35 million deficit for 2019-20 that is planned by the Health Board. The Health Board is reporting slippage against delivery of planned savings, together with aspects of in-year cost growth which have created a need to identify additional savings.
- several other factors continue to present challenges which, if unaddressed, create a risk that the annual financial cycle of 'deficit and attempted recovery' will continue to be repeated.

I trust that this information will be of assistance to the work of the Committee.

Yours sincerely



ADRIAN CROMPTON
Auditor General for Wales