

HSC BUSINESS SERVICES ORGANISATION

Minutes of Proceedings

The thirty seventh meeting of the Business Services Organisation (BSO) was held on Thursday 31 May 2012 at 2.00 pm in the Boardroom, BSO HQ, 2 Franklin Street, Belfast.

Present

	Mr Alexander Coleman (Chairman)
Mrs Geraldine Fahy	Mr David Bingham (Chief Executive)
Mr Alan Hanna	Mr Paddy Anderson (Director of Finance)
Mr Greg Irwin	Mrs Teresa Molloy (Director of Operations)
Mrs Hilary McCartan	Mr Hugh McPoland (Director of HR & Corporate Services)
Mr Brian McMurray	
Mr Gerald Strong	

In Attendance

Mrs Karen O'Loan – Director of Customer Care and Performance
Mr Alphy Maginess – Chief Legal Adviser
Mr Shane Devlin – BSTP Programme Director
Miss Amanda Mills (Secretary to the Board)

1. Apologies

Apologies for absence were received from Robin McClelland and Sean Mahon.

2. Chairman's Business

The Chairman referred to the recent death of Mr McClelland's mother and on behalf of the Board wished to extend his condolences to Mr McClelland and his family circle.

Following the presentation to the Board on Transforming your Care in March, BSO has arranged for Mr Paul Simpson to make a further presentation to the senior management in the organisation on 14 June 2012.

The Chairman advised that he along with the Chief Executive are scheduled to meet with the Permanent Secretary and BSO Sponsor Branch on 18 June 2012 for an end year accountability review meeting.

3. **Minutes of Meeting held on 26 April 2012**

The minutes of the Board meeting held on 26 April 2012 were agreed subject to a minor amendment in Minute 17. Once this amendment is made the Chairman will sign the minutes.

4. **Matters Arising from Minutes**

(i) *Action Sheet Arising from Meeting held on 26 April 2012*

The actions arising from the BSO Board meeting held on 26 April 2012 were noted by members.

(ii) *Capital Expenditure Bid for 2012/13 – Minute 6 (i) refers*

The Director of Finance advised that following the Board's approval to submit a capital bid to the Department of £25k in respect of the Margins Survey Capital works programme, the Department subsequently approved the bid and has allocated the funds.

The Director of Finance is liaising with SMT and preparing a substantive list of capital bids for submission to the Department. The closing date for bids is 14 June 2012

Members noted the position.

5. **Corporate Balanced Scorecard**

The Director of Customer Care and Performance presented Paper BSO 36/2012 setting out the performance of key service areas in the BSO for the period up to 30 April 2012. At the invitation of the Chairman the relevant Directors briefed members on the rationale of the indicators which were highlighted either amber or red.

Members' attention was drawn to the changes in a number of indicators and targets for the start of the new financial year.

Members noted the information contained within the Corporate Balanced Scorecard

6. **Corporate Risk and Assurance Report for 2012/2013**

Members considered the draft Corporate Risk Register for the BSO for 2012/2013. The Director of Customer Care and Performance advised members that SMT had recently met and reviewed the corporate risks which in turn will help the BSO produce an assurance framework. Members were advised that there were two new risks added to the Corporate Risk Register:- Risk No 5 – "Inability to implement new Shared Service for Payroll, Payments, Income and Selection and Recruitment in line with Ministerial timetable and customer expectations", and Risk No 15 – Limitation of BSO accounts due to extension of Warehouse Contracts". Both these risks were assessed as High.

It was also noted that a number of risks had been archived and these were detailed in Appendix A of the paper.

In answer to a question from Greg Irwin regarding the Growth Strategy, the Director of Customer Care and Performance advised that this matter will be placed on the agenda for the Accountability Review meeting with the Department.

Following a lengthy discussion the Corporate Risk Register was approved subject to amendments suggested by members.

7. **BSTP Update**

The BSTP Programme Director updated members on recent developments regarding the BSTP Project and referred to the BSTP Programme Director's report which was circulated to members with the agenda.

Further to the last meeting where Mr Devlin reported on difficulties in respect of the HRPTS Project he was pleased to announce that a redefined project plan was agreed on 27 April 2012 which allowed the project to move forward. Members' attention was drawn to the extension of User Acceptance Testing (UAT) regarding the FPL Project. At this stage he believed that the delay should not have an adverse impact of the "go live" of the project scheduled for 1 September 2012.

It was suggested and agreed that the BSTP Programme Director should produce a timetable in respect of the transition to Shared Services.

Members noted the update.

8. **Draft Fire Safety Policy and Procedures**

The Director of Human Resources and Corporate Services presented a draft Fire Safety and Protocol document for members' approval. A number of amendments were suggested and agreed and these will be incorporated into the final version of the document.

Members approved the Draft Fire Safety and Procedures policy document.

9. **Draft Whistleblowing Policy**

The Director of Human Resources and Corporate Services presented a revised version of the Whistleblowing policy which now reflected the recent departmental correspondence to HSC staff that they may contact the Minister for Health directly regarding any whistleblowing issues.

Members approved the amended policy which will be re-issued to all staff.

10. **Management of Contracts Audit**

As agreed at the April Board meeting the Director of Finance presented paper BSO 40/2012 which provided the Board with detailed information relating to the issues raised in the "Review of Management of Contracts", conducted by Internal Audit, which had received a limited level of assurance. The report also provided an overview of the recent extensive fieldwork undertaken by the external auditor (NIAO) to review the incidences of contract

extensions and assess the materiality of these for the BSO and its HSC customers.

The Director of Finance advised that the external auditor is likely to issue a qualified regularity opinion on the BSO's 2011/12 accounts in this regard. He continued that NIAO have advised that it is likely that the issue will not result in a regularity qualification in the accounts of the HSC organisations to whom BSO provides a service to.

The Chairman stressed that immediate decisive action must be taken to ensure that the issues identified in the Audit Report are addressed and will not occur again. Mrs Molloy advised that BSO/Pals has already initiated a Recovery Plan and resources will be directed to regularise the procurement process.

The Chairman advised members that he has discussed this matter with the Chief Executive, Director of Finance, Director of Operations and the Chairman of the GAC and emphasised to them that this matter must be given top priority. He informed members that he has instructed those officers that remedial measures must be put in place to sort this matter out. It was agreed that a report will be presented to the June Board meeting on the actions being taken to address the issues emerging from the Audit Report. One of these actions is to approach the NHS Supply Chain to see if they could take on the non-compliant contracts identified in the Audit Report to allow them to become compliant in 2012/13.

The Chief Executive stated that the Organisation had not performed to the standard that was expected. He apologised to the Board and stated that he and the SMT fully appreciated the gravity of the situation. He gave members an assurance that all efforts would be made to return to compliance as soon as possible.

The Chief Legal Adviser informed members that as a result of the Public Contracts Regulations 2006 and subsequent amendments in 2009 bidders were able to more easily pursue legal challenges against contracts which made the issue of awarding some contracts very difficult and complex. He also advised that Legal Services are assisting PALS in reviewing the contracts which were extended and advising how these contracts can be terminated.

Members were informed that the Chairman and Chief Executive will meet with the Permanent Secretary in the near future, to brief him on this issue.

Members noted the position and were advised that they would be updated on a regular basis.

11. Draft Statement of Internal Control

The Director of Finance presented a second draft of the Statement of Internal Control (SIC) which was noted by the GAC at its meeting on 29 May 2012. The amendments suggested by the Board at the April meeting have been incorporated and also from the external auditors following their review of the SIC.

Members approved the revised SIC which will now be forwarded to the Department.

12. **Any Other Business**

(i) ***Board Sub-Group***

The Chairman reported to members on a recent meeting of the Board sub-group where a presentation was made by Gartner on the findings of their report. The sub-group will convene in the near future to consider the recommendations in the report.

Members noted the position.

13. **Date of Next Meeting**

The next meeting of the BSO Board will take place at 2.00 pm on Thursday 21 June 2012 in the Boardroom, BSO HQ, 2 Franklin Street, Belfast.

The Chairman thanked everyone for attending and closed the meeting.

Chair

Chief Executive

Date _____