

**HSC BUSINESS SERVICES ORGANISATION**

**Minutes of Proceedings**

The thirty sixth meeting of the Business Services Organisation (BSO) was held on Thursday 26 April 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 Sean Mahon	
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**

An apology for absence was received from Robin McClelland.

2. **Chairman's Business**

The Chairman reminded members that the annual performance appraisal pro-formas for non-executive directors must be completed and returned to the Public Appointments Unit, DHSSPS on or before 31 May 2012. The Chief Executive's Office will organise for non-execs to meet with the Chairman in May.

3. **Minutes of Meeting held on 29 March 2012**

The minutes of the Board meeting held on 29 March 2012 were agreed as an accurate and true reflection of the meeting and were signed by the Chairman.

4. **Matters Arising from Minutes**

(i) *Action Sheet Arising from Meeting held on 29 March 2012*

The actions arising from the BSO Board meeting held on 29 March 2012 were noted by members.

The Director of Human Resources advised that an amended Whistleblowing policy will be presented to the May Board meeting for approval.

5. **Finance Update**

The Director of Finance presented the Finance Report for the year ended 31 March 2012. The overall position for each segment of the organisation was outlined to members. In particular, the income and expenditure account presented a surplus for the financial year of £89,000 which is within the statutory financial performance (break even) parameter (ie, +/- 0.25% of breakeven).

Mrs McCartan congratulated Mr Anderson and his staff on meeting the breakeven target and management of the budgets over the year.

Concern was raised at the level of variances between budget and actual outlined in the finance report within some directorates, even though in overall terms the performance of the Organisation was very close to budget. Mr Anderson advised that a revised (zero based) model will be used to set the budgets for 2012/13 financial year which will more closely align budgets.

In answer to a question raised by the Chairman, the Director of Finance confirmed that following the production of a Service Improvement Plan in September 2011 customer relations between BSO and its clients has improved significantly. Currently Finance staff produce monthly assurance reports for a number of its clients however it is hoped that this will reduce to quarterly in the new financial year. The Chairman congratulated Mr Anderson and his staff on the excellent progress.

The DOF updated members on the processing of the winter payments to cancer patients. The BSO met the target and made payments to all eligible patients. Finance staff are now processing late applications in line with DHSSPS guidance.

Members noted the financial update.

*(i) Capital Expenditure Bid for 2012/2013*

The Director of Finance informed members that to date the BSO has not yet received its capital allocation for this financial year however have been advised from Departmental officials that unlike previous years where HSC organisations were notified of their general capital allocations, each organisation will have to submit capital bids directly to the Department for approval for 2012/13.

An urgent request has been submitted to undertake capital works in the Franklin Street building to adapt office accommodation to facilitate the new Pharmacy Margins Survey work. Building work is also required to accommodate additional staff and scanning equipment for BSTP. The element of work relating specifically to BSTP will be funded through the BSTP Capital Programme.

The Director of Finance requested approval in principle to submit a bid to the Department of approximately £25k for the Margins Survey capital works programme and to commence the tendering process for the overall package of works which, in total, would be in the region of £75k. Members were assured that the funds will not be spent until the building work was completed.

Following this discussion, members approved the proposal to submit a capital bid to the Department of £25k for this work.

**6. Corporate Balanced Scorecard**

The Director of Customer Care and Performance presented Paper BSO 24/2012 setting out the performance of key service areas in the BSO for the period up to 31 March 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 noted the information contained within the Corporate Balanced Scorecard

The individual scorecard for Customer Care and Performance was also presented by Mrs O'Loan. Mrs O'Loan advised that she has recently met with officers from the Clinical Education Centre (CEC) and the Leadership Centre to discuss the production of a Customer Survey which will be circulated later this year. In answer to a question regarding the Outline Business Case for BSO Growth, Mrs O'Loan advised that she maintains regular contact with BSO Sponsor Branch to ensure that this matter is kept high on their agenda. A query was also raised as to whether the RAG status relating to BSO growth should be revised and changed to Amber.

Members noted the position.

7. **Draft Statement of Internal Control (SIC)**

The Chief Executive presented a draft Statement on Internal Control (SIC) to members for information. It was noted that an earlier draft of the document had been considered by the Governance and Audit Committee at its meeting on 17 April 2012 and comments received had been incorporated into the paper.

A few minor amendments were suggested by members and these will be included into the document and will be forwarded to the DHSSPS by 27 April 2012.

The Director of Finance informed members that this will be the last year that this document will be produced in this format. A new governance statement will be implemented for 2012/2013.

Members noted the draft SIC.

8. **BSO Fraud Policy and Fraud Response Plan – Amendment to Standing Orders**

The Director of Finance presented a revised Fraud Policy and Fraud Response Plan for the BSO for members' approval which sets out the BSO's position on fraud and the action it will take if an allegation of fraud arises. Members were reminded that the original policy was approved in October 2009 however since then a number of changes have been made under RPA in respect of Counter Fraud and Probity Services and these documents have been amended to reflect this. It was suggested and agreed that a statement should be included in the policy document outlining the responsibility of the GAC iro Fraud.

Members approved the policy subject to the suggested amendment. The BSO's Standing Orders will require amendment to reflect the changes.

9. **Revised GAC Terms of Reference/Amendments to Standing Orders**

Members considered and approved the revised terms of reference for the Governance and Audit Committee (GAC). It was noted that the revisions had previously been considered by the GAC at its meeting on 17 April 2012. The Standing Orders will now be amended to reflect the changes.

10. **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. The Programme Director's Report is presented to the BSTP Programme Board every month and it was agreed that this should also go to the Board for information.

The HRPTS Project continues to experience difficulties with the design timeline however a final design workshop is taking place today where it is envisaged that a redefined project plan will be agreed to allow the project to move forward.

With regard to the Shared Services project, the Programme Director recently attended a meeting of the Health Committee and it is hoped the Minister will make a decision in the near future. It was agreed that once the Minister makes his decision the consultation document on the model and location of shared services could be circulated to members for information.

Members noted the update.

11. **Draft Annual Report 2011/2012**

The Director of Customer Care and Performance presented the draft Annual Report in text format only for 2011/12 to members for noting as it is required for submission to the NIAO/DHSSPS along with the draft Annual Accounts for 8 May 2012. A number of comments were suggested by members and it was agreed that these will be considered and included, where appropriate, with a final version to be presented to the Board for approval in June.

12. **SAI Update**

The Director of Operations briefed members on the current position in respect of the two SAI investigations underway. The SAI investigation team have completed their review of the incident which occurred on 20 January 2012, resulting in the loss of data on a specific HSC database. A draft Report has been received and contains a number of recommendations which she outlined to members. These included the strengthening of commissioning arrangements and the implementation of an additional layer of scrutiny regarding new systems coming into the datacenters. Internal Audit also undertook an audit of the incident and the management actions recommended will be monitored for completion via SMT in the normal way. This will be made available the Board Sub Group.

The SAI Investigation Team met earlier today to review the second incident which resulted in an extended period of outage on a number of HSC systems on 27<sup>th</sup> January 2012. The date of the issue of the final report from the Investigation Team has been extended to 25 May 2012.

With regard to the tender exercise to undertake a review of the data centres, the contract was awarded to Gartner. They will commence work immediately.

The Chairman advised that the Board sub group will be briefed by Gartner on their findings .

Members noted the position.

13. **HR & Corporate Services Report**

The Director of Human Resources presented paper BSO 30/2012 which set out a range of workforce information relating to BSO staff for the period April 2011 to March 2012. It was noted that ITS staff formally transferred to BSO payroll wef 1 April 2012. The level of sickness absence has steadily increased and members were briefed on the measures being taken by HR and BSO management to address this issue.

The Corporate Services Report relating to the same period was also considered by members. It was noted that during this period the BSO received 23 complaints which were processed in accordance with the Complaints Policy. The complaints ranged across a number of

individual subjects and matters. Where complaints were upheld apologies were issued and changes to procedures were actioned as appropriate.

Recently a review of the HSC Complaints procedure has been completed and the outcomes communicated. Members were advised that the BSO Complaints Procedure is due for review in the first quarter of 2012/2013.

Members noted the HR & Corporate Services Report

14. **Anti Bribery Policy**

The Director of Customer Care and Performance presented paper BSO 31/2012 setting out the BSO's Anti Bribery policy.

Members considered and approved the Anti Bribery policy.

15. **Accelerated Pharmacy Payments Project (APP)**

The Chief Executive presented paper BSO 32/2012 detailing a report of a feasibility study conducted by a project team which has been constituted by HSCB to bring forward the Pharmacy payments schedule from 60 days to 30 days. BSO are key members of that team, given that BSO FPS is responsible for the payment process. A pilot project will commence in partnership with CPNI in advance of the implementation phase of the project. It was noted that this project will be placed on the BSO's Risk Register. The Chief Executive also confirmed that the resources required to support the APP project will be funded by the HSCB.

Members noted the contents of the Accelerated Pharmacy Payments Project paper.

16. **Governance and Audit Committee**

(i) ***Minutes of Meeting held on 17 January 2012***

The minutes of the GAC meeting held on 17 January 2012 were noted by members.

(ii) ***Report of Meeting held on 17 April 2012***

Mr McMurray, Chair of the Governance and Audit Committee briefed members on the main issues considered at the GAC meeting held on 17 April 2012. He informed members that at the meeting the Internal Auditor presented the Management of Contracts report which had received a limited level of assurance. At the invitation of the Chairman, the Director of Operations provided the Board with some background iro the PaLS contract portfolio. It was agreed that the matter would be brought back to the May Board meeting to provide the Board with a more detailed position the issues contained in the report. The Director of Finance advised that it was likely that the External Auditor would widen his audit of PaLS contracts.

17. **Any Other Business**

- (i) The Chairman congratulated Mr Alan Hanna on his recent appointment as National Director for Autism Initiatives Northern Ireland.

18. **Date of Next Meeting**

The next meeting of the BSO Board will take place at 2.00 pm on Thursday 31 May 2012 in the Boardroom, BSO HQ, 2 Franklin Street, Belfast.

The Chairman thanked everyone for attending and closed the meeting.

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Chair

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Chief Executive

Date \_\_\_\_\_