

**Partnership Agreement between
Department of Health and
Business Services Organisation**

OCTOBER 2024

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Introduction

1. The Partnership Agreement

- 1.1 This document sets out the partnership arrangements between the Business Services Organisation (BSO) and the Department of Health (the Department). In particular, it explains the overall governance framework within which the Business Services Organisation operates, including the framework through which the necessary assurances are provided to stakeholders. Roles/responsibilities of partners within the overall governance framework are also outlined.
- 1.2 The partnership is based on a mutual understanding of strategic aims and objectives; clear accountability; and a recognition of the distinct roles each party contributes. Underpinning the arrangements are the principles set out in the NI Code of Good Practice ***‘Partnerships between Departments and Arm’s-Length Bodies’*** which should be read in conjunction with this document. The principles which are laid out in the Code are:

LEADERSHIP ANNEX 9
<i>Partnerships work well when Departments and Arm’s Length Bodies demonstrate good leadership to achieve a shared vision and effective delivery of public services. Strong leadership will provide inspiration, instil confidence and trust and empower their respective teams to deliver good outcomes for citizens.</i>
PURPOSE
<i>Partnerships work well when the purpose, objectives and roles of Arm’s Length Bodies and the sponsor department are clear, mutually understood and reviewed on a regular basis. There needs to be absolute clarity about lines of accountability and responsibility between departments and Arm’s Length Bodies. In exercising statutory functions Arm’s Length Bodies need to have clarity about how their purpose and objectives align with those of departments.</i>

ASSURANCE
<i>Partnerships work well when departments adopt a proportionate approach to assurance, based on Arm's Length Bodies' purpose and a mutual understanding of risk. Arm's Length Bodies should have robust governance arrangements in place and in turn departments should give Arm's Length Bodies the autonomy to deliver effectively. Management information should be what is needed to enable departments and Arm's Length Bodies to provide assurance and assess performance.</i>
VALUE
<i>Partnerships work well when departments and Arm's Length Bodies share knowledge, skills and experience in order to enhance their impact and delivery. Arm's Length Bodies are able to contribute to policy making and departmental priorities. There is a focus on innovation, and on how departments and Arm's Length Bodies work together to deliver the most effective policies and services for its customers.</i>
ENGAGEMENT
<i>Partnerships work well when relationships between departments and Arm's Length Bodies are open, honest, constructive and based on trust. There is mutual understanding about each other's objectives and clear expectations about the terms of engagement.</i>

A full copy of the NI Code can be found at Annex 9.

1.3 This document should also be read in conjunction with guidance on proportionate autonomy which provides an outline of the principles and characteristics for proportionate autonomy (see [DAO 06-2019 \(finance-ni.gov.uk\)](https://www.finance-ni.gov.uk/dao-06-2019)). Guidance on proportionate autonomy has been considered in determining the extent of engagement and assurance to be established between the Business Services Organisation and the Department of Health and this is reflected in this partnership agreement.

- 1.4 Department of Health and Business Services Organisation are committed to:
- Working together within distinct roles and responsibilities;
 - Maintaining focus on successful delivery of Programme for Government outcomes and Ministerial priorities (see also paras 2.6 and 2.7);
 - Maintaining open and honest communication and dialogue;
 - Keeping each other informed of any issues and concerns, and of emerging areas of risk;

- Supporting and challenging each other on developing policy and delivery [when developing policy this may cut across more than one department];
- Seeking to resolve issues quickly and constructively; and
- Acting at all times in the public interest and in line with the values of Integrity, Honesty, Objectivity, Impartiality, Respect, Accountability, Trust, Partnership and Professionalism.

1.5 The effectiveness of the partnership and the associated Engagement Plan will be reviewed each year by the Department and Business Services Organisation in order to assess whether the partnership is operating as intended and to identify any emerging issues/opportunities for enhancement. This can be carried out as part of existing governance arrangements. The Partnership Agreement document itself will be reviewed formally at least once every three years to ensure it remains fit for purpose and up-to-date in terms of current governance frameworks.

1.6 The formal review will be proportionate to the Business Service Organisation size and overall responsibilities and will be published on departmental and ALB websites as soon as practicable following completion.

1.7 A copy of this agreement has been placed in the Assembly Library.

Business Services Organisation Establishment and Purpose

2. Statutory Purpose and Strategic Objectives

2.1 The Business Services Organisation is a Health and Social Care Body (akin to an executive Non-Departmental Public Body) which came into existence on 1 April 2009. The Business Services Organisation is governed by Statute and Statutory Instruments: HPSS (NI) Order 1972 (SI 1972/1265 NI14), the HPSS (NI) Order 1991 (SI 1991/194 NI1) and the Audit and Accountability (NI) Order 2003, the Health and Social Care (Reform) Act (Northern Ireland) 2009, the Health and Social Care (Amendment) Act (Northern Ireland) 2014 and the Health and Social Care Act (Northern Ireland) 2022. From 1 April 2022, staff of the former HSCB became 'hosted' employees of the BSO under a hosting arrangement co-developed with the Department enabling these staff to retain HSC terms and conditions of service while under the direction and performance management of the Department of Health. The new unit formed is called the Strategic Planning & Performance Group of the Department of Health (SPPG)/Digital Health & Care (DHCNI), also a group within the Department of Health. The Department of Health has responsibility and accountability for the former statutory functions of the HSCB.

2.2 The Business Services Organisation has a range of statutory duties relating to the delivery of support services and shall within the scope of its statutory functions in respect of support services, as a body corporate, exercise the functions assigned to it by the Department of Health (DoH), including those set out in Article 15 of the Health and Social Care (Reform) Act (Northern Ireland 2009) and any other statutory provisions deemed by DoH to be functions of the BSO, but within the confines of the BSO's existing statutory powers and functions. As a statutory body, the Business Services Organisation has specific powers to contract in its own name. The Business Services Organisation is accountable to the Minister responsible for Health, for all funds allocated to it for the purposes of carrying out its core functions. HSC organisations are under Ministerial direction to use BSO for regional provision of services unless BSO cannot provide that service. The functions of the former HSCB (excluding

discharge of social care and children) transferred to the Department's newly formed Strategic Planning and Performance Group (SPPG). Former HSCB staff continue to undertake their previous roles carrying out these functions albeit under the direction of the Department, who is fully responsible and accountable for the statutory functions of the former HSCB. A Memorandum of Understanding (MOU) is available at Annex 11 between the Department and the Business Services Organisation outlining the responsibilities and obligations of both organisations and the relationships between both parties.

- 2.3 The BSO is established under Section 14(1) of the Health and Social Care (Reform) Act (Northern Ireland) 2009 (hereafter referred to as the Act). The BSO does not carry out its functions on behalf of the Crown.
- 2.4 The BSO is established for the purposes specified in Section 15(1) of the Act. The BSO's general powers etc are listed in Schedule 3 of the Act.
- 2.5 The primary functions, duties and powers of the BSO which relate to the delivery of support services are detailed within the following legislation:
 - Health and Social Care (Reform) Act (Northern-Ireland) 2009;
 - Health and Social Care (Amendment) Act (Northern Ireland) 2014
 - Health and Social Care Framework Document 2011; and
 - Supplementary directions issued periodically by the Department.
- 2.6 The Minister for the Department of Health is answerable to the Assembly for the overall performance and delivery of both the Department and Business Services Organisation.

Their responsibilities include:

- approving the BSO's strategic objectives and the policy and performance framework within which the BSO will operate;
- keeping the Assembly informed about the BSO's performance as part of the HSC system;

- Carrying out responsibilities specified in the founding legislation including appointments to the Board (including its Chairperson) and laying of the annual report and accounts before the Assembly; and
- Approving the remuneration scheme for Non-Executive Board members and setting the annual pay settlement for each year under these arrangements.

2.7 The Executive's outcome-based approach to delivery recognises the importance of arm's length bodies and departments working collaboratively and together in a joined up approach to improve overall outcomes and results.

2.8 To that end there is strategic alignment between the aims, objectives and expected outcomes and results of Business Services Organisation and the Department of Health.

2.9 The strategic aims of the Business Services Organisation are:

- **Build** strategic partnerships with our customers to deliver high quality services, demonstrating value and effective ways of working,
- **Support** and invest in our people, their potential and their contribution in ensuring BSO is a great place to work
- **Offer** opportunities that continue to enable and support innovative improvements across HSC.

2.9.1 **Deliver Effective Services:**

The BSO was created to deliver a range of support services, including business support and specialist professional services to other Health and Social Care (HSC) organisations across Northern Ireland.

BSO provides services to the following 15 ALBs of DoH (including Trusts & NIFRS)

1. Northern Ireland Blood Transfusion Service (NIBTS)
2. Northern Ireland Fire and Rescue Service (NIFRS)
3. Northern Ireland Medical and Dental Training Agency (NIMDTA)
4. Northern Ireland Practice and Education Council (NIPEC)

5. Northern Ireland Social Care Council (NISCC)
6. Patient and Client Council (PCC)
7. Public Health Agency (PHA)
8. CCGANI
9. Northern Ireland Ambulance Service (NIAS)
10. Regulation, Quality Improvement Authority (RQIA)
11. Belfast Health and Social Care Trust (BHSCT)
12. Northern Health and Social Care Trust (NHSCT)
13. Southern Health and Social Care Trust (SHSCT)
14. South Eastern Health and Social Care Trust (SEHSCT)
15. Western Health and Social Care Trust (WHSCT)

BSO delivers services in a number of key areas including: Procurement & Logistics, Information Technology Support, Legal, Internal Audit, Corporate Services, Human Resources, Counter Fraud & Probity, Family Practitioner Services, Equality, Finance, Pensions, and Training. A Shared Services Centre also operates from various locations across Northern Ireland.

Business Services Organisation Governance Arrangements

3. Organisational Status

3.1 Business Services Organisation is a legal entity in its own right, employing its own staff and operating at arm's-length from the Department. As a legal entity it must comply with all associated legislation including legislation relating to its employer status.

4. Governance Framework

4.1 Business Services Organisation has an established Corporate Governance Framework which reflects all relevant good practice guidance. The framework includes the governance structures established within Business Services Organisation and the internal control and risk management arrangements in place. This includes its Board and Committee Structure. The Department should be satisfied with the Corporate Governance framework.

4.2 An account of this is included in Business Services Organisation annual Governance Statement together with the Business Services Organisation's Board's assessment of its compliance with the extant Corporate Governance Code of Good Practice (NI). Any departure from the Corporate Governance Code must be explained in the Governance Statement. The extant Corporate Governance Code of Good Practice (NI) is available on the DoF website.

4.3 Business Services Organisation is required to follow the principles, rules, guidance and advice in *Managing Public Money Northern Ireland*. A list of other applicable guidance and instructions which Business Services Organisation is required to follow is set out in Annex 7. Good governance should also include positive stakeholder engagement, an embedded co-production approach, the building of positive relationships and a listening and learning culture.

5. Business Services Organisation Board

5.1 Business Services Organisation is led by a Board, non-executive members of which are appointed by the Minister of the Department of Health. The constitution of the Board is set out in the Health and Social Care (Reform) Act (Northern Ireland) 2009, the Health and Social Care (Amendment) Act (Northern Ireland) 2014 and the Health and Social Care Act (Northern Ireland) 2022. The appointment process for non-executive Board members complies with the Code of Practice on Public Appointments for Northern Ireland. All Board appointments are set out on the Business Services Organisation website at: <https://hscbusiness.hscni.net>

5.1.1 The Board Members are appointed as follows:

- Ultimate responsibility for appointments of the 9 board members lies with the Minister. The appointments and tenure will be varied over a period of time thus ensuring that a range of skills and experience is maintained on the Board.
- Appointments to the Board of BSO must be made in line with the 'Code of Practice the Commissioner for Public Appointments NI' (CPANI) and the 'Office of the Executive Office, Central Appointments Unit guidance'.
- The structure of Board will be appropriate to the organisation and its strategic direction. Any changes to the structure must be supported by the Department with consideration to the current people strategy and guidance within the public sector.

5.2 As Public Appointees Board members are office holders rather than employees and are not subject to employee terms and conditions. Board appraisal arrangements are set out in paras 15.1 and 15.2, and matters for consideration in dealing with concerns/complaints in respect of Board members are provided in Annex 6.

5.3 The Board's operating framework/terms of reference provides further detail on roles and responsibilities and should align closely with this Partnership

Agreement. The Board's Standing Orders are aligned to this Partnership Agreement and a copy is available on the Business Services Organisation website at: [Home - Business Services Organisation \(BSO\) Website \(hscni.net\)](https://www.hscni.net)

- 5.4 The purpose of the Business Services Organisation's Board is to provide effective leadership and strategic direction to the organisation and to ensure that the policies and priorities set by the Minister for the Department of Health are implemented. The Board is responsible for ensuring that the organisation has effective and proportionate governance arrangements in place and an internal control framework which allow risks to be effectively identified and managed. The Board will set the culture and demonstrate the values of the organisation, and set the tone for the organisation's engagement with stakeholders and customers. BSO Board has corporate responsibility for ensuring that the BSO fulfils the aims and objectives set by the Sponsor Department and approved by the Minister, and for promoting the Efficient, Economic and Effective use of staff and resources by the BSO.
- 5.5 The Business Services Organisation's Board is responsible for holding the Chief Executive to account for the management of the organisation and the delivery of agreed plans and outcomes. The Board should also support the Chief Executive as appropriate in the exercise of their duties.

BSO is supporting a number of significant regional programmes mainly commissioned through DHCNI Department of Health. Accountability for the delivery of the regional digital programmes remains the responsibility of the Senior Responsible Owner (SRO) reporting to the Permanent Secretary through the Chief Digital Information Officer (CDIO).

- 5.6 Board members act solely in the interests of the Business Services Organisation and must not use the Board as a platform to champion their own interests or pursue personal agendas. They occupy a position of trust and their standards of action and behaviour must be exemplary and in line with the seven principles of public life (Nolan principles). The Business Services Organisation has a Board Code of Conduct and there are mechanisms in place to deal with any Board disputes/conflicts to ensure they do not become wider issues that impact on the effectiveness of the Board. A Board Register of Interests is maintained, kept up to date and is publicly available to help provide transparency and promote public confidence in Business Services Organisation.
- 5.7 Communication and relationships within the Board are underpinned by a spirit of trust and professional respect. The Board recognises that using consensus to avoid conflict or encouraging members to consistently express similar views or consider only a few alternative views does not encourage constructive debate and does not give rise to an effective Board dynamic.
- 5.8 It is for the Board to decide what information it needs, and in what format, for its meetings/effective operation. If the Board is not confident that it is being fully informed about the organisation this will be addressed by the Chair of the Board as the Board cannot be effective with out-of-date or only partial knowledge.
- 5.9 In order to fulfil their duties, Board members must undertake initial training, and regular ongoing training and development. Review of Board skills and development will be a key part of the annual review of Board effectiveness.

6. Governance and Audit Committee

- 6.1 A further important aspect of Business Services Organisation governance framework is its Governance and Audit Committee, established in line with the extant Audit and Risk Assurance Committee Handbook (NI).

6.2 The Governance and Audit Committee's purpose/role is to support the Accounting Officer and Board on governance issues. In line with the handbook the Governance and Audit Committee focuses on:

- assurance arrangements over governance; financial reporting; annual reports and accounts, including the Governance Statement; and
- ensuring there is an adequate and effective risk management and assurance framework in place.

6.3 The Business Services Organisation and Department of Health have agreed arrangements in respect of the Governance and Audit Committee which may include:

- attendance by departmental representatives in an observer capacity at the Business Services Organisation's Governance and Audit Committee meetings;
- Access to the Business Services Organisation's Governance and Audit Committee's papers and minutes; and
- Any input required from the Business Services Organisation's Governance and Audit Committee to the departmental Audit and Risk Assurance Committee.

6.4 Full compliance with the Audit and Risk Assurance Committee Handbook (NI) is an essential requirement. In the event of significant non-compliance with the handbook's five good practice principles (or other non-compliance) discussion will be required with the Department and a full explanation provided in the annual Governance Statement.

6.5 The extant Audit and Risk Assurance Committee Handbook (NI) is available on the DoF website at [Audit committees | Department of Finance \(finance-ni.gov.uk\)](https://www.finance-ni.gov.uk/audit-committees)

7. Business Services Organisation Chair

7.1 The Chair is responsible for setting the agenda and managing the Board to enable collaborative and robust discussion of issues. The Chair's role is to develop and motivate the Board and ensure effective relationships in order that

the Board can work collaboratively to reach a consensus on decisions. To achieve this they should ensure:

- The Board has an appropriate balance of skills appropriate to its business;
- Board members are fully briefed on terms of appointment, duties, rights and responsibilities;
- Board members receive and maintain appropriate training;
- The Minister is advised of Business Services Organisation's needs when board vacancies arise;
- There is a Board Operating Framework in place setting out the roles and responsibilities of the Board in line with relevant guidance; and
- There is a code of practice for Board members in place, consistent with relevant guidance.

7.2 The role also requires the establishment of an effective working relationship with the Chief Executive that is simultaneously collaborative and challenging. It is important that the Chair and Chief Executive act in accordance with their distinct roles and responsibilities as laid out in Managing Public Money N.I. and their appointment letters.

7.3 The Chair has a presence in the organisation and cultivates external relationships which provide useful links for the organisation while being mindful of overstepping boundaries and becoming too involved in day-to-day operations or executive activities.

8. Business Services Organisation Chief Executive

8.1 The role of the Business Services Organisation's Chief Executive is to run the Business Services Organisation's business. The Chief Executive is responsible for all executive management matters affecting the organisation and for leadership of the executive leadership team.

8.2 The Chief Executive is designated as Business Services Organisation's Accounting Officer by the departmental Accounting Officer (see section 12). As Accounting Officer they are responsible for safeguarding the public funds in their

charge and ensuring they are applied only to the purposes for which they were voted and more generally for efficient and economical administration.

- 8.3 The Chief Executive is accountable to the Board for Business Services Organisation's performance and delivery of outcomes and targets and is responsible for implementing the decisions of the Board and its Committees. They maintain a dialogue with the Chair on the important strategic issues facing the organisation and for proposing Board agendas to the Chair to reflect these. They ensure effective communication with stakeholders and communication on this to the Board. They also ensure that the Chair is alerted to forthcoming complex, contentious or sensitive issues, including risks affecting the organisation.
- 8.4 The Chief Executive acts as a role model to other Executives by demonstrating support for the Chair and Board members and the contribution they make. The Chair and Chief Executive have implemented a process for collaborative and partnership working respecting their roles and duties, including the Chief Executive's responsibility as Accounting Officer.
- 8.5 Further detail on the role and responsibilities of the Chief Executive are as laid out in Managing Public Money N.I. and their Accounting Officer appointment letter.

The Chief Executive's role as Principal Officer for Ombudsman Cases

- 8.6 The Chief Executive is the Principal Officer for handling cases involving the N.I. Public Sector Ombudsman. They shall advise the Departmental Accounting Officer of any complaints about BSO accepted by the Ombudsman for investigation by notification to the departmental Sponsor Branch, and the proposed response to any subsequent recommendations from the Ombudsman.

Role of the Department of Health

9. Partnership Working with Business Services Organisation (This should be read in conjunction with the Health and Social Care Framework Document 2011).
 - 9.1 The Department of Health and Business Services Organisation are part of a total delivery system, within the same Ministerial portfolio. The partnership between Department of Health and Business Services Organisation is open, honest, constructive and based on trust. There is mutual understanding of each other's objectives and clear expectations on the terms of engagement.
 - 9.2 In exercising its functions Business Services Organisation has absolute clarity on how its purpose and objectives align with those of Department of Health. There is also a shared understanding of the risks that may impact on each other and these are reflected in respective Risk Registers.
 - 9.3 There is a regular exchange of skills and experience between Department of Health and Business Services Organisation and where possible joint programme/project delivery boards/arrangements. Business Services Organisation may also be involved as a partner in policy/strategy development and provides advice on policy implementation/ the impact of policies in practice.
 - 9.4 The Department of Finance (DoF) has established, on behalf of the Assembly, a delegated authority framework which sets out the circumstances where prior DoF approval is required before expenditure can be occurred or commitments entered into. The Accounting Officer of the Department of Health has established an internal framework of delegated authority for the Department and its ALBs HSC(F) 09-2024 [doh-hscf-09-2024.pdf \(health-ni.gov.uk\)](#) apply to Business Services Organisation. Other specific approval requirements established in respect of Business Services Organisation as set out at Annex 4.
 - 9.5 Once Business Services Organisation's budget has been approved by the Minister and the Department of Health [and subject to any restrictions imposed by statute/the Minister/this Partnership Agreement or any other circulars,

directives and best practice guidance that may issue from, or by way of, the Department] Business Services Organisation shall have authority to incur expenditure approved in the budget without further reference to the Department. Inclusion of any planned and approved expenditure in the budget shall not however remove the need to seek formal departmental approval where proposed expenditure is outside the delegated limits (as laid out in Annex 4) or is for new schemes not previously agreed. Nor does it negate the need to follow due processes laid out in guidance contained in Managing Public Money NI and the Better Business Case N.I. User Guide and Approval Procedures [doh-hscf-05-2022.pdf \(health-ni.gov.uk\)](#)

10. Lead Official

10.1 The Department of Health has appointed a lead senior official, the Deputy Secretary of Resources and Corporate Management Group to manage the relationship with Business Services Organisation and ensure effective partnership working. Engagement between the Department and Business Services Organisation will be co-ordinated, collaborative and consistent. A clear sense of collaboration and partnership will be communicated to staff in both the Department and Business Services Organisation in order to promote mutual understanding and support. The lead senior official will be supported by the Head of Procurement Policy.

10.2 The lead senior official is the policy lead for the policy Area relating to Business Services Organisation's business and has a clear understanding of Business Services Organisation's responsibilities for policy implementation/operational delivery and the relevant audiences/stakeholders involved.

10.3 The lead senior official will ensure that where there are departmental staff changes, time is taken to ensure they have a full understanding of Business Services Organisation's business and challenges.

11. Annual Engagement Plan

- 11.1 The Department and Business Services Organisation will agree an engagement plan before the start of each business year. The Annual Engagement Plan (Annex 3) will set out the timing and nature of engagement between Business Services Organisation and the Department. The engagement plan will be specific to Business Services Organisation and should not stray into operational oversight.
- 11.2 Engagement between the Department's lead official/their teams and Business Services Organisation will be centred on partnership working, understanding of shared risks and working together on business developments that align with policy objectives.
- 11.3 In line with relevant guidance¹, Business Services Organisation will work in collaboration and partnership with the Department to prepare corporate and business plans. There should be good high level strategic alignment between departmental and Business Services Organisation's plans. Once approved it will be the Board of Business Services Organisation that primarily holds the Chief Executive to account for delivery and performance. The Department will engage with Business Services Organisation on areas of strategic interest, linking departmental policy and Business Services Organisation delivery of policy intent.
- 11.4 The Annual Engagement Plan will also reference the agreed management and financial information to be shared over the course of a year. The aim will be to ensure clear understanding of why information is necessary and how it will be used. Where the same, or similar information is required for internal governance information requirements will be aligned so that a single report can be used for both purposes. In addition, the engagement plan should consider opportunities for learning and development, growth and actions which could help achieve better outcomes.

12. Departmental Accounting Officer

¹ Guidance issued by TEO on NICS Work Programme which includes guidance on business planning for an outcomes-based PfG/ODP

12.1 The Departmental Accounting Officer is accountable to the N.I. Assembly for any grant-in-aid to the BSO and that it is within the ambit and the amount of the Request for Resources that Assembly authority has been sought and given.

They have designated the Chief Executive of Business Services Organisation as Business Services Organisation's Accounting Officer and respective responsibilities of the Departmental Accounting Officer and the Business Services Organisation's Accounting Officer are set out in Chapter 3 of Managing Public Money Northern Ireland. The Departmental Accounting Officer may withdraw the Business Services Organisation's Accounting Officer designation if they conclude that the Business Services Organisation's Accounting Officer is no longer a fit person to carry out the responsibilities of an Accounting Officer or that it is otherwise in the public interest that the designation be withdrawn. In such circumstances the Business Services Organisation's Board will be given a full account of the reasons for withdrawal and a chance to make representations. Withdrawal of Business Services Organisation's Accounting Officer status would bring into question employment as Chief Executive and the Chair should engage with the Department should such circumstances arise.

12.2 As outlined in section 8, the Business Services Organisation's Chief Executive is accountable to the Business Services Organisation's Board for their stewardship of Business Services Organisation. This includes advising the Board on matters of financial propriety, regularity, prudent and economical administration, efficiency and effectiveness.

12.3 The departmental Accounting Officer must be informed in the event that the judgement of the Business Services Organisation's Accounting Officer (on matters for which they are responsible) is over-ridden by the Business Services Organisation's Board. The Business Services Organisation's Accounting Officer must also take action if the Business Services Organisation's Board is contemplating a course that would infringe the requirement for financial propriety, regularity, prudent and economical administration, efficiency or effectiveness. In all other regards, the Departmental Accounting Officer has no day to day involvement with Business Services Organisation or its' Chief Executive.

12.4 In line with DoF requirements, the Business Services Organisation's Accounting Officer will provide an annual declaration of fitness to act as Accounting Officer to the departmental Accounting Officer. This will be provided annually as part of existing mid-year assurance processes.

13. Attendance at Public Accounts Committee

13.1 The Business Services Organisation's Chief Executive/Accounting Officer may be summoned to appear before the Public Accounts Committee to give evidence on the discharge of their responsibilities as Accounting Officer (as laid out in their Accounting Officer appointment letter) on issues arising from the Comptroller & Auditor General's (C&AG) studies or reports following the annual audit of accounts.

13.2 The Chair may also, on occasion, be called to give evidence to the Public Accounts Committee on such relevant issues arising within the C&AG's studies or reports, in relation to the role and actions taken by the Board, where appropriate.

13.3 In addition, the Business Services Organisation's Accounting Officer may be summoned to appear before the Public Accounts Committee to give evidence on the discharge of their responsibilities as departmental Accounting Officer with overarching responsibility for Business Services Organisation. In such circumstances, the departmental Accounting Officer may therefore expect to be questioned on their responsibilities to ensure that:

- there is a clear strategic control framework for the Business Services Organisation;
- sufficient and appropriate management and financial controls are in place to safeguard public funds;
- the nominated Accounting Officer is fit to discharge his or her responsibilities;
- there are suitable internal audit arrangements;

- accounts are prepared in accordance with the relevant legislation and any accounting direction; and
- intervention is made, where necessary, in situations where the Business Services Organisation's Accounting Officer's advice on transactions in relation to regularity, propriety or value for money is overruled by the body's Board or its Chair.

Assurance Framework

14. Autonomy and Proportionality

- 14.1 The Department of Health will ensure that Business Services Organisation has the autonomy to deliver effectively, recognising its status as a separate legal entity which has its own Board and governance arrangements. Guidance on proportionate autonomy has been considered in determining the extent of engagement and assurance established between Business Services Organisation and the Department of Health and is reflected in this agreement.
- 14.2 A proportionate approach to assurance will be taken based on Business Services Organisation's overall purpose, business and budget and a mutual understanding of risk. The approach will include an agreed process through which the Business Services Organisation's Accounting Officer provides written assurance to the Department that the public funds and organisational assets for which they are personally responsible are safeguarded, have been managed with propriety and regularity, and use of public funds represents value for money.
- 14.3 Recognising the governance arrangements in place within the organisation, the Business Services Organisation's Accounting Officer will arrange for their written assurance to be discussed at the Business Services Organisation's Audit and Risk Assurance Committee and presented to the Business Services Organisation's Board prior to submission to the Department where possible. If not possible, or practicable, the Chair of the Business Services Organisation's Board should have sight of the assurance statement, prior to it being submitted to the Department.
- 14.4 The Business Services Organisation's Chair will provide written confirmation that the Business Services Organisation's Accounting Officer's formal assurance has been considered by the Board and is reflective of Business Service's Organisation's current position.

14.5 In addition to the Business Services Organisation's Accounting Officer's written assurance, the Department will take assurance from the following key aspects of Business Services Organisation's own governance framework:

- Annual Review of Board Effectiveness;
- Completion of Board Appraisals which confirm Board member effectiveness;
- Internal Audit assurance and External Quality Assessment of the Internal Audit function;
- Externally audited Annual Report and Accounts, reviewed/considered by the Business Services Organisation's Audit and Risk Assurance Committee.

15. Board Effectiveness

15.1 The Business Services Organisation's Chair will ensure that the Business Services Organisation's Board undertakes an annual review of Board Effectiveness² which encompasses committees established by the Board.

15.2 The Chair will discuss the outcome of the annual review of Board Effectiveness with the lead official to ensure a partnership approach to any improvements identified. This partnership approach will inform the annual programme of Board training/development and discussions in respect of Board composition and succession shall be delivered jointly with the Department.

15.3 In line with any parameters set out in founding (or other) legislation, the Chair in conjunction with the Department, and Minister where appropriate, will consider the size and composition of the Business Services Organisation's Board, proportionate to the size and complexity of Business Services Organisation and keep this under review.

15.4 In addition to the annual review of Board Effectiveness Business Services Organisation will undertake an externally facilitated review of Board effectiveness

² NIAO Good Practice Guide on Board Effectiveness

at least once every three years covering the performance of the Board, its Committees and individual Board members. The Chair will liaise with the Department to identify a suitably skilled facilitator for the external review (this can be a peer review, and should be proportionate) and will share the findings/outcome report with the Department on completion of the review.

16. Board Appraisals

16.1 The Chair of Business Services Organisation will conduct an annual appraisal in respect of each Board member which will also inform the annual programme of Board training/ development. The Chair will engage with the Chief Executive/lead official as appropriate on improvements identified through the appraisal process and the annual training/development programme.

16.2 The Chair's annual appraisal will be completed by the *Executive Board Member Sponsor Lead* within the Department. The appraisal will take account of the Key Characteristics of a good chairperson (particularly for the Chair to have well developed interpersonal skills) set out in the NIAO Good Practice Guide on Board Effectiveness available on the NIAO website. There will be close engagement between the Chair and the lead official on improvements identified through the appraisal process.

17. Internal Audit Assurance

17.1 Business Services Organisation is required to establish and maintain arrangements for an internal audit function that operates in accordance with the Public Sector Internal Audit Standards (PSIAS). The Business Services Organisation must be satisfied with the competence and qualifications of the Head of Internal Audit and that the requirements for approving appointments are in accordance with PSIAS.

17.2 Business Services Organisation will provide its internal audit strategy, periodic audit plans and annual audit report, including the Head of Internal Audit's opinion on risk management, control and governance to the Department. Business Services Organisation will ensure the Department of Health's internal audit team have right of access to relevant records. This applies whether the internal audit function is provided in-house or is contracted out.

17.3 Business Services Organisation will ensure regular, periodic self-assessments of the internal audit function in line with PSIAS and will share these with the Department. Department of Health will also liaise with the Department on the External Quality Assessment (EQA) of the internal audit function which (in line with PSIAS) is required to be conducted at least once every five years by a qualified independent assessor.

17.4 Business Services Organisation will alert the Department to any less than satisfactory audit reports at the earliest opportunity on an ongoing basis. Business Services Organisation will also alert the Department to a less than satisfactory annual opinion from the Head of Internal Audit at the earliest opportunity. Business Services Organisation and the Department will then work collaboratively on actions required to address the less than satisfactory opinion in order to move Business Services Organisation to a satisfactory position as soon as possible.

17.5 The Department will take assurance from the fact that BSO has met the requirements of PSIAS and have a satisfactory annual opinion from the Head of Internal Audit as part of the overall assurance assessment.

18. Externally Audited Annual Report and Accounts

18.1 Business Services Organisation is required to prepare an Annual Report and Accounts in line with the Government Financial Reporting Manual (FReM) issued by the Department of Finance (DoF) and the specific Accounts Direction issued by Department of Health and in accordance with the deadlines specified.

The Comptroller & Auditor General (C&AG) will arrange to audit the Business Services Organisation's annual accounts and will issue an independent opinion on the accounts. The C&AG passes the accounts to Department of Health who shall lay/present/deposit them before the N.I. Assembly together with Business Service's Organisation's annual report.

18.2 The C&AG will also provide a Report to Those Charged with Governance (RTTCWG) to Business Services Organisation which will be shared with the Department.

18.3 Business Services Organisation will alert the Department to any likely qualification of the accounts at the earliest opportunity. In the event of a qualified audit opinion or significant issues reported in the RTTCWG the Department will engage with Business Services Organisation and agree on any actions required to address the qualification/significant issues.

18.4 The Department will take assurance from the external audit process and an unqualified position as part of its overall assurance assessment.

18.5 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which Business Services Organisation has used its resources in discharging its functions. The C&AG may also carry out thematic examinations that encompass the functions of Business Services Organisation.

18.6 For the purpose of audit and any other examinations, the C&AG has statutory access to documents as provided for under Articles 3 and 4 of the Audit and Accountability (Northern Ireland) Order 2003.

18.7 Where making payment of a grant, or drawing up a contract, Business Services Organisation should ensure that it includes a clause which makes the grant or contract conditional upon the recipient or contractor providing access to the C&AG in relation to documents relevant to the transaction. Where subcontractors are likely to be involved, it should also be made clear that the requirements extend to them.

Signatories

The Business Services Organisation and the Department of Health agree to work in partnership with each other in line with the NI Code of Good Practice '**Partnerships between Departments and Arm's-Length Bodies**' and the arrangements set out in this Agreement.



Signed (BSO Chair)

Date 17/10/2024



Signed (BSO Chief Executive)

Date 17/10/2024



Signed (Department)

Date 18/10/2024

Annex 1 - Applicable Legislation

List the founding legislation and other key statutes which provide Business Services Organisation with its statutory functions, duties and powers.

The Legislation under which the Business Services Organisation has been established is:

1. The Health and Personal Social Services (Northern Ireland) Order 1972 (SI 1972/1265 NI14) <https://www.legislation.gov.uk/nisi/1972/1265/contents>
2. The Health and Personal Social Services (Northern Ireland) Order 1991 (SI 1991/194 NI1) <https://www.legislation.gov.uk/nisi/1991/194/contents>
3. The Audit and Accountability (NI) Order 2003
<https://www.legislation.gov.uk/nisi/2003/418/contents>
4. The Health and Social Care (Reform) Act (Northern Ireland) 2009
<https://www.legislation.gov.uk/nia/2009/1/contents>
5. The Health and Social Care (Amendment) Act (Northern Ireland) 2014
<https://www.legislation.gov.uk/nia/2014/5/contents>
6. The Health and Social Care Act (Northern Ireland) 2022
<https://www.legislation.gov.uk/en/nia/2022/3/contents/enacted>
7. Code of Practice issued by the Commissioner for Public Appointments in Northern Ireland <https://www.publicappointmentsni.org/>
8. The Health and Social Care Framework Document 2011 <https://www.health-ni.gov.uk/sites/default/files/publications/health/hsc-framework-document-september-2011.docx>

Annex 2 – Extracts of Schedule 3 of the 2009 Act - The Regional Business Services Organisation

Status

- 1—(1) BSO shall not be regarded—
- (a) as the servant or agent of the Crown; or
 - (b) as enjoying any status, immunity or privilege of the Crown.
- (2) The property of BSO shall not be regarded as property of, or held on behalf of, the Crown.
- (3) Where land in which the Department has an interest is managed, used or occupied by RBSO, the interest of the Department shall be treated for the purposes of any statutory provision or rule of law relating to Crown land or interests as if it were an interest held otherwise than by, or on behalf of, the Crown.
- (4) BSO shall, notwithstanding that it is exercising any functions on behalf of the Department, be entitled to enforce any rights acquired and shall be liable in respect of any liabilities incurred (including liabilities in tort) in the exercise of those functions in all respects as if it were acting as a principal, and all proceedings for the enforcement of such rights or liabilities shall be brought by or against BSO in its own name.
- (5) Subject to the provisions of this Schedule, section 19 of the Interpretation Act (Northern Ireland) 1954 (c. 33) applies to RBSO.

General Powers

- 2—(1) Subject to any directions given by the Department, BSO may do anything which appears to it to be necessary or expedient for the purpose of, or in connection with, the exercise of its functions.
- (2) But BSO may not borrow money.

Membership

- 3—(1) BSO shall consist of—
- (a) a Chair appointed by the Department;
 - (b) a prescribed number of members appointed by the Department;
 - (c) the chief officer of RBSO; and
 - (d) such other officers of BSO as may be prescribed.
- (2) Except in so far as regulations otherwise provide, no person who is an officer of BSO may be appointed under sub-paragraph (1) (a) or (b).

[F1(3) Regulations may provide—

- (a) that the person appointed under sub-paragraph (1) (a) must fulfil prescribed conditions or hold a post of a prescribed description;
- (b) that all or any of the persons appointed under sub-paragraph (1)(b) must fulfil prescribed conditions or hold posts of a prescribed description.]

Annotations:

Amendments (Textual)

F1Sch. 3 para. 3(3) substituted (11.4.2014) by Health and Social Care (Amendment) Act (Northern Ireland) 2014 (c. 5), s. 3(1)

Commencement Information

I1Sch. 3 para. 3 wholly in operation at 1.4.2009; Sch. 3 para. 3 in operation for certain purposes at Royal Assent see s. 34(2)(d); Sch. 3 para. 3 in operation at 1.4.2009 insofar as not already in operation by S.R. 2009/114, **art. 2**

Remuneration and allowances

- 4**—(1) BSO shall pay to its members such remuneration and allowances as the Department may determine.
- (2) A determination of the Department under this paragraph requires the approval of the Department of Finance and Personnel.

Appointment, procedure etc.

5 Regulations may make provision as to—

- (a) The appointment of members of BSO under paragraph 3(1) (b) and (d) (including any conditions to be fulfilled for appointment);
- (b) the tenure of office of the Chair and other members (including the circumstances in which they cease to hold office or may be removed or suspended from office);
- (c) the appointment of, constitution of, and exercise of functions by, committees and subcommittees (including committees and sub-committees which consist of or include persons who are not members of RBSO);
- (d) the procedure of BSO and any committees or sub-committees (including the validation of proceedings in the event of vacancies or defects in appointment);
- (e) the staff, premises and expenses of RBSO;
- (f) such other matters in connection with BSO as the Department thinks fit.

Annotations: 

Commencement Information

I2Sch. 3 para. 5 wholly in operation at 1.4.2009; Sch. 3 para. 5 in operation for certain purposes at Royal Assent see s. 34(2)(d); Sch. 3 para. 5 in operation at 1.4.2009 insofar as not already in operation by S.R. 2009/114, **art. 2**

The chief officer

- 6**—(1) There shall be a chief officer of BSO who shall be a member of the staff of BSO and shall be responsible to BSO for the general exercise of its functions.
- (2) Subject to regulations made under paragraph 5(e)—
- (a) the first chief officer shall be appointed by the Department;
 - (b) any subsequent chief officer shall be appointed by RBSO.

Application of the seal

- 7** The application of the seal of BSO shall be authenticated by the signature—
- (a) of any member of RBSO; and
 - (b) of any other person who has been authorised by BSO (whether generally or specifically) for that purpose.

Execution of documents

- 8**—(1) Any document which if executed by an individual would not require to be executed as a deed may be executed on behalf of BSO by any person generally or specially authorised by BSO for that purpose.
- (2) In any legal proceedings any document purporting to have been so executed on behalf of BSO shall be deemed to be so executed until the contrary is proved.

Finance

- 9**—(1) The Department may make payments to BSO out of money appropriated for the purpose.
- (2) Payments under this paragraph shall be made on such terms and conditions as the Department may determine.

Accounts

- 10**—(1) BSO shall—
- (a) keep proper accounts and proper records in relation to the accounts; and (b) prepare a statement of accounts in respect of each financial year.
- (2) The statement of accounts shall— (a) be in such form; and (b) contain such information, as the Department may, with the approval of the Department of Finance and Personnel, direct.
- (3) BSO shall, within such period after the end of each financial year as the Department may direct, send copies of the statement of accounts relating to that year to—
- (a) the Department; and
- (b) the Comptroller and Auditor General.
- (4) The Comptroller and Auditor General shall—
- (a) examine, certify and report on every statement of accounts received from BSO under this paragraph; and
- (b) send a copy of any such report to the Department.
- (5) The Department shall lay a copy of the statement of accounts and of the Comptroller and Auditor General's report before the Assembly.

Annual report

- 11**—(1) BSO shall within such period after the end of each financial year as the Department may direct, prepare and send to the Department a report in such form, and containing such information, as may be prescribed.
- (2) BSO shall publish any report prepared under sub-paragraph (1) in such manner as the Department may direct.
- (3) The Department shall lay a copy of the report before the Assembly.

Annotations: 

 **Commencement Information**

13Sch. 3 para. 11 wholly in operation at 1.4.2009; Sch. 3 para. 11 in operation for certain purposes at Royal Assent see s. 34(2) (d); Sch. 3 para. 11 in operation at 1.4.2009 insofar as not already in operation by S.R. 2009/114, **art. 2**

Interpretation

- 12** In paragraphs 10 and 11—
- “Comptroller and Auditor General” means the Comptroller and Auditor General for Northern Ireland;
- “financial year” means—
- (a) the period beginning with the day on which BSO is established and ending on the next following 31st March; and
- (b) each subsequent period of 12 months ending on 31st March.

Information

- 13**—(1) BSO shall at such times as the Department may direct— (a) provide the Department or a specified body with

such information, and (b) permit the Department or the specified body to inspect and take copies of such documents, relating to RBSO's functions as the Department may direct.

(2) In sub-paragraph (1) "specified body" means a body specified in directions under that subparagraph.

Default powers of Department

14—(1) the powers conferred by this paragraph are exercisable by the Department if it is satisfied that BSO has without reasonable excuse failed to discharge any of its functions adequately or at all.

(2) The Department may—

(a) make an order declaring BSO to be in default; and

(b) direct BSO to discharge such of its functions, in such manner and within such period or periods, as may be specified in the direction.

(3) If BSO fails to comply with the Department's direction under sub-paragraph (2), the Department may—

(a) discharge the functions to which the direction relates itself; or

(b) make arrangements for any other person to discharge those functions on its behalf.

Annotations: 

 **Commencement Information**

I4Sch. 3 para. 14 wholly in operation at 1.4.2009; Sch. 3 para. 14 in operation for certain purposes at Royal Assent see s. 34(2) (d); Sch. 3 para. 14 in operation at 1.4.2009 insofar as not already in operation by S.R. 2009/114, **art. 2**

Annex 3 – Illustrative Annual Engagement Plan

Good Engagement is one of the key principles in the Partnership Code, underpinning the other principles of: Leadership; Purpose; Assurance; and Value.

As laid out in the Code, partnerships work well when relationships between departments and ALBs are open, transparent, honest, constructive and based on trust and when there is mutual understanding of each other's objectives and clear expectations about the terms of engagement.

The template provided outlines the key areas of engagement between Departments and ALBs. The template is not intended to be prescriptive and should be completed collaboratively and agreed between the Department and the ALB.

Business Service Organisation (BSO) Engagement Plan 2024/25		
Policy Development and Delivery		
<i>Add details of the planned engagement between BSO and the Department in relation to development and monitoring of existing and new areas of policy.</i>		
Policy Area	Frequency/Timing	Lead Departmental/ALB Officials
Relevant DoH Policy	As required	DoH Policy Leads
Strategic Planning		
Activity	Date	Lead Departmental/ALB Official
BSO Strategic Planning Workshops – encompassing strategic planning and risk identification. Informed by input on departmental priorities/plans and risk areas	Sufficiently well in advance of the Business Year to inform development of the Business Plan for the year ahead	DoH Policy Leads BSO Chief Executive and Senior Professional Officers/Head of Corporate Services
Engagement on the draft Business Plan and identification of areas of strategic interest to the Department to inform	As required	BSO Chief Executive and Senior Professional Officers/Head of Corporate Services

further scheduled engagement during the year		
Submission/presentation of BSO Business Plan	February each year	BSO Chief Executive
Approval of BSO Business Plan	March each year	DoH Policy Leads BSO Chief Executive
Engagement on areas of strategic interest iro BSO Business Plan during the year	January each year	DoH Policy Leads BSO Chief Executive
Board Appointments		
<i>Add details of any engagement related to Public Appointment exercises</i>		
Activity	Date	Lead Departmental/ALB Official
Public Appointments, new appointments, reappointment, or extension activity	Annual Workplan / as required	DoH Head of Public Appointments DoH Head of Sponsor Branch
Succession Planning	Annually	DoH Head of Public Appointments
Completion of Skills Audits for Non-Executive Directors	As required	BSO Chair DoH Head of Public Appointments DoH Head of Sponsor Branch
Completion of Skills Audits for Non-Executive Director Chairs	As required	DoH Head of Public Appointments DoH Head of Sponsor Branch BSO Chair BSO Chief Executive

Chief Executive Recruitment

Add details of any engagement related to the recruitment of a new Chief Executive (if anticipated during the year ahead). ALBs should engage with the Department at an early stage in the event of the recruitment of a new Chief Executive. While recognising the role of the Board as employer, the Department will work closely with the ALB in the recruitment and selection process in line with extant guidance.

Activity	Date	Lead Departmental/ALB Official
Approval to recruit to posts in Senior Executive grades (including Chief Executive)	In advance of proposed recruitment	DoH Director of Workforce Policy
Chief Executive acknowledges, in writing, receipt of a formal letter of designation as Accounting Officer defining the role and responsibilities of this position	As required	BSO Chief Executive DoH Head of Sponsor Branch
Chief Executive has, within six months and preferably within three months of appointment, attended an accounting officer training course run by Chief Executives Forum	Between 3 and 6 months of appointment	BSO Chief Executive DoH Head of Sponsor Branch
Refresher Accounting Officer Training is undertaken at least every six years	Every 6 years	BSO Chief Executive DoH Head of Sponsor Branch

Assurances

Add details of the timetable for submission of key assurance sources and any other assurance related activity

Action	Date	Lead Departmental/ALB Official
Outcome of the Review of Board Effectiveness	Annual review with an externally facilitated review at least once every three years	BSO Chair

Planning for the externally facilitated review of Board Effectiveness	Externally facilitated review at least once every three years	BSO Chair
Board Appraisals and planned training/development for Board members	Following the end of the Business year.	BSO Chair DoH EBM Sponsor
Chair Appraisal	Following the end of the Business year. After Board Appraisals have been completed by the Chair and the annual Review of Board Effectiveness has concluded	DoH Director of Public Appointments DoH EBM Sponsor DoH Permanent Secretary
Departmental Attendance at ARAC	Attendance as observer 1xpa	DoH Head of Sponsor Branch
Assurance Statement	Bi-annual mid and end year	BSO Chief Executive / Head of Corporate Services DoH Head of Sponsor Branch DoH Head of ALB Governance
Draft Governance Statement	Annual - end year	BSO Chief Executive / Head of Corporate Services DoH EBM Sponsor DoH Head of Sponsor Branch DoH Head of ALB Governance
Annual Report and Accounts	Annual	BSO Chief Executive DoH Director of Finance
Report to those Charged with Governance	Bi-annual	BSO Chief Executive
Engagement on other planned NIAO reports	As required	BSO Chief Executive
Head of Internal Audit Annual report/Opinion	Annual	BSO Chief Executive
Internal Audit Strategy and Plans	Annual	BSO Chief Executive

Internal Audit External Quality Assessment	To be conducted at least once every five years	BSO Chief Executive
Ground Clearing Meetings	Bi-Annual	DoH EBM Sponsor BSO Chief Executive BSO Head of Corporate Services
Accountability Meetings	Mid and end year	DoH Permanent Secretary DoH EBM Sponsor BSO Chair BSO Chief Executive
Internal Audit reports with less than satisfactory assurance	Once - for consideration/ comment/ approval (where noted)	BSO Chief Executive / Head of Corporate Services DoH Policy Leads DoH Head of Sponsor Branch
Fraud return	Annually - for consideration/ comment/ approval (where noted)	BSO Chief Executive / Head of Corporate Services DoH Finance Director
Annual Report, with the draft submitted to the Department two weeks before the publication date (<i>detailed timetable for the annual accounts, SIC etc is set by Finance Directorate</i>)	Annually - For information	BSO Chief Executive / Head of Corporate Services DoH Finance Director
Anti-Fraud Policy	Once, and then when revised - for information	BSO Chief Executive / Head of Corporate Services DoH Finance Director DoH Head of Sponsor Branch
Assurance Framework	Annually - For information	BSO Chief Executive / Head of Corporate Services DoH Head of Sponsor Branch
Audit Committee papers (including draft minutes) for each meeting as and	Monthly - For information	BSO Head of Corporate Services DoH Head of Sponsor Branch

when issued to Committee members)		
Audit Committee Terms of Reference	Once, and then when revised - for information	BSO Head of Corporate Services DoH Head of Sponsor Branch
Audit Strategy	Once, and then when revised - for information	BSO Chief Executive / Head of Corporate Services DoH Head of Sponsor Branch
Board meeting papers (including draft minutes) for each meeting as and when issued to Board members)	Monthly - For information	BSO Head of Corporate Services DoH Head of Sponsor Branch
Business Continuity plan	Annually - For information	BSO Chief Executive / Head of Corporate Services DoH Head of Sponsor Branch
Code of Conduct for board members	Once, and then when revised - for information	BSO Chief Executive / Head of Corporate Services DoH Head of Sponsor Branch
Code of Practice for staff	Once, and then when revised - for information	BSO Chief Executive / Head of Corporate Services DoH Head of Sponsor Branch
Complaints procedure	Once, and then when revised - for information	BSO Chief Executive / Head of Corporate Services DoH Head of Sponsor Branch
Corporate Plan (including the Business Plan), must be produced for Departmental approval	Annually - for consideration/ comment/ approval (where noted)	BSO Chief Executive DoH Head of Sponsor Branch
Corporate Risk Register	Bi-annual - for consideration/ comment/ approval (where noted)	BSO Chief Executive / Head of Corporate Services DoH Head of Sponsor Branch
Equality scheme	Once, and then when revised - for information	BSO Chief Executive / Head of Corporate Services DoH Head of Sponsor Branch
Fraud Response Plan	Once, and then when revised - for information	BSO Chief Executive / Head of Corporate Services DoH Finance Director

Grievance and Disciplinary procedures	Once, and then when revised - for information	BSO Chief Executive / Head of Corporate Services DoH Head of Sponsor Branch
Head of Internal Audit's end-of-year and mid-year opinions on risk management, control and governance	Bi-annually - for consideration/ comment/ approval (where noted)	BSO Chief Executive / Head of Corporate Services DoH Head of Sponsor Branch
Internal Audit Progress Report	Annually - for consideration/ comment/ approval (where noted)	BSO Chief Executive / Head of Corporate Services DoH Head of Sponsor Branch
Internal Audit work-plan	Annually - for consideration/ comment/ approval (where noted)	BSO Chief Executive / Head of Corporate Services DoH Head of Sponsor Branch
Mid-year Assurance Statement (by end-October each year)	Annually - for consideration/ comment/ approval (where noted)	BSO Chief Executive / Head of Corporate Services DoH Head of Sponsor Branch
NIAO management letters	Once - for consideration/ comment/ approval (where noted)	BSO Chief Executive / Head of Corporate Services DoH Head of Sponsor Branch
Publication scheme	Once, and then when revised - for information	BSO Chief Executive / Head of Corporate Services DoH Head of Sponsor Branch
Register of board members' interests	Annually - For information	BSO Head of Corporate Services DoH Head of Sponsor Branch
Report on quarterly assessment of progress being made in the delivery of the Corporate/Business Plan's aims and objectives	Quarterly - for consideration/ comment/ approval (where noted)	BSO Chief Executive / Head of Corporate Services DoH Head of Sponsor Branch
Whistle-blowing procedures	Once, and then when revised - for information	BSO Chief Executive / Head of Corporate Services DoH Head of Corporate Governance Unit DoH Head of Sponsor Branch

Budget Management

Add details of the information and returns to be provided.

Item and Purpose	Date	Lead Departmental/ALB Official
Monthly Financial Management Returns	Monthly	BSO Chief Executive / Head of Corporate Services
Monthly Cash Forecast	Monthly	BSO Finance
Monitoring Round Returns	As required	BSO Chief Executive / Head of Corporate Services
Provisional Outturn	Annual/As required	BSO Finance
Final Outturn	Annual/As required	BSO Finance
DoF Commissioned Monitoring Rounds	June, October, and January (work commences the previous month)	DoH Head of Financial Management Unit / BSO
Business cases outside APB delegated limits or falling within the definition of Novel, Contentious or repercussive	Ad hoc	DoH Head of Finance Policy and Accountability / BSO
Write off outside delegated limits or which could be considered Novel, Contentious or repercussive	Ad hoc	DoH Head of Finance Policy and Accountability Unit / BSO
Clinical Negligence claims, EL/OL Claims outside delegated limits or which could be considered Novel, Contentious or repercussive	Ad hoc	DoH Head of Finance Policy and Accountability Unit / BSO
Test Drilling samples	Interim - November and Final – March	DoH Head of Finance Policy and Accountability Unit / BSO
FAU circulars and memos in relation to Year – End Accounts production*	Year – End (March)	DoH Head of Financial Accounting Unit / BSO

Circulars – FD letters*	Ad hoc	DoH Head of Financial Accounting Unit / BSO
Capital Spend Returns	Monthly	DoH Head of Capital Resources Unit / BSO
Capital Resource Limits (CRL) Returns	Ad hoc	DoH Head of Capital Resources Unit / BSO
ISNI Delivery Tracking System Updates	Monthly	DoH Head of Capital Resources Unit / BSO
Disposals	Bi-annually	DoH Head of Capital Resources Unit / BSO
General Capital Outturn	Annually	DoH Head of Capital Resources Unit / BSO
Capital Budget Exercises/10 Year Plan	Ad hoc	DoH Head of Capital Resources Unit / BSO
Other		
<i>Tailor as required to reflect the specific requirements</i>		
Item and Purpose	Submission Date	Lead Departmental/ALB Official
Accounting Officer - Fitness to Act as Accounting Officer	Annual request from the departmental Accounting Officer within the mid year assurance template	DoH Director of ALB Governance Unit DoH Head of Sponsor Branch
Fraud Reporting	Immediate reporting of all frauds (proven or suspected including attempted fraud)	DoH Finance Director
Preparation of business cases – departments and ALBs to consider working together to share expertise where appropriate.	Ad hoc	DoH Director of Estates BSO Chief Executive / Head of Corporate Services / Finance
Whistleblowing cases/ Speaking Up/Raising Concerns.	Ad hoc – on receipt of significant cases	DoH Head of Sponsor Branch BSO Chief Executive

Review of the Partnership Agreement

Tailor as required to reflect the specific requirements

Item and Purpose	Submission Date	Lead Departmental/BSO Official
Light touch review of the Partnership Agreement	Schedule following the end of the Business Year	DoH Head of Sponsor Branch Director of Strategic Planning and Customer Engagement/BSO Chair/ BSO Chief Executive
Formal review of the Partnership Agreement	To be conducted once every three years	DoH Head of Sponsor Branch Director of Strategic Planning and Customer Engagement/ BSO Chair/ BSO Chief Executive

Annex 4 - Delegations

Delegated authorities

The Business Services Organisation shall obtain the Department's prior written approval before:

- entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in the Business Services Organisation's annual budget as approved by the Department;
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the Department;
- making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required; or
- carrying out policies that go against the principles, rules, guidance and advice in Managing Public Money N.I.

The Business Services Organisation's Specific Delegated Authorities

The Business Services Organisation's specific delegated authorities are those stipulated in Circular Reference: HSC(F) 09-2024 [doh-hscf-09-2024.pdf \(health-ni.gov.uk\)](#), Revised HSC & NIFRS Delegated Limits and requirements for Departmental/ DoF approval, and shown in Table A below:

TABLE A

Area of Delegation	HSC/NIFRS/DOH Directorates Delegated Limit	DoH Delegated Limit
Use of External Consultants	HSC Bodies (Ministerial Approval required) ^{***}	Fully delegated – (Ministerial

Area of Delegation	HSC/NIFRS/DOH Directorates Delegated Limit	DoH Delegated Limit
		Approval required)***
Capital Expenditure (excluding hospital schemes)	BSO £250,000	£5,000,000
Hospital Schemes – New Build, Extension, Refurbishment and Equipment involving capital expenditure	BSO - £250,000	£10,000,000
IT Projects (Total project cost, i.e. capital plus revenue)****	BSO £250,000	£5,000,000
<p>Gifts- Any gift(s) to any individual or entity where the value of the gift(s) exceeds £250</p> <p>Any collective gift(s) to any range of individuals or entities, where the value of the gift(s) to any one individual exceeds £250 or when the value of the collective gift(s) exceeds £5,000</p>	<p>Individual - £250</p> <p>Collective £5,000</p>	<p>Individual - £250</p> <p>Collective £5,000</p>
Losses – write-off of cash losses and cash equivalents, bookkeeping losses, exchange rate fluctuations, fruitless payments and constructive losses, property in stores or in use due to any deliberate act	HSC Bodies £30,000	DoH has full delegated authority
<p>Losses - The write off of losses relating to social security benefits, grants, subsidies arising from miscalculation, misinterpretation or missing information</p> <p>The failure to make adequate charges for use of public property or services or loans</p> <p>The write off of losses relating to pay, allowances, superannuation benefits where losses have arisen due to causes such as non-disclosure by beneficiary/fraud.</p>	All HSC Bodies - Nil**	Nil**
Losses - Waived of Abandoned claims	HSC Bodies £10,000	£100,000
Special payments / Ex-Gratia Payments	All HSC Bodies - £10,000	£100,000
Overpayments - Foregoing the recoupment of overpayments of pay, pensions and allowances	All HSC Bodies - £1,000 (pay & allowances) £1,000 (pensions)	£20,000
Overpayments - Foregoing the recoupment of overpayments of grants	All HSC Bodies - Nil**	Nil**

Area of Delegation	HSC/NIFRS/DOH Directorates Delegated Limit	DoH Delegated Limit
Special severance payments	All HSC Bodies - Nil**	Nil**
Ex-Gratia Financial Remedy Payments (i.e. those made to complainants through an organisation's internal complaints procedures/processes)	All HSC Bodies - £500	£500
Ex-Gratia Payments to be made as a result of a recommendation from the NI Public Services Ombudsman	All HSC Bodies - £10,000	£50,000
Compensation payments for Clinical Negligence (to include interim payments if overall settlement is expected to exceed delegated limits) To include agreement of Periodic Payment Orders (PPOs)	HSC Bodies £5,000,000	DoH has full delegated authority
Compensation payments following legal advice (This would include all personal injury and public liability claims)	HSC Bodies - £100,000	£100,000
Compensation payments without legal advice	All HSC Bodies - Nil	£10,000
Extra-Statutory and Extra-Regulatory payments	All HSC Bodies - Nil	£100,000
Confidentiality Agreements	Nil**	Nil**
Grants: Revenue Capital	All HSC Bodies £750k per annum £750k in total	£750k per annum £750k in total
Leases for office accommodation/ warehousing / storage – both new and existing extension or renewal beyond break points. Excluding offices outside Northern Ireland.	- All HSC Bodies Nil**	Nil**

Area of Delegation	HSC/NIFRS/DOH Directorates Delegated Limit	DoH Delegated Limit
Pay remits	All HSC Bodies Nil*	As per FD Letter-Pay remit approval process and guidance
Revenue Business cases	All other HSC Bodies – fully delegated DoH Directorates £20,000,000	DoH has full delegated authority
Foreign Currency – Any proposals to negotiate contracts in foreign currencies other than euro, yen or dollar exceeding £2m	£2,000,000	£2,000,000
EU – All expenditure over £5m under the EU Programmes for which the Special EU Programmes Body is responsible	£10,000,000	£10,000,000

* Prior DoH approval required in all cases

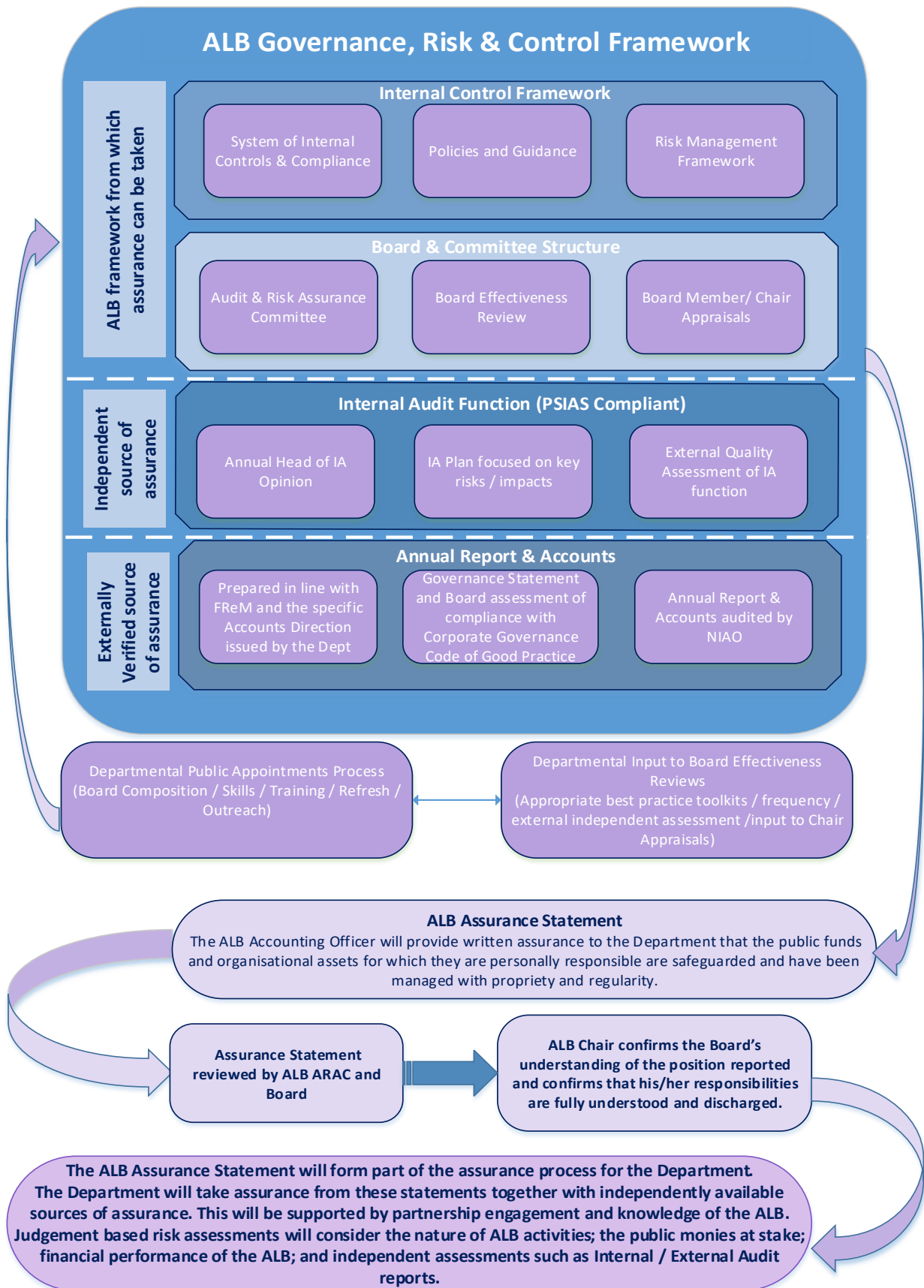
** Prior DoH and DoF approval required in all cases

*** All external consultancy business cases, regardless of value, must be submitted to FPAU prior to the commencement of an appointment process for any consultant. Where the expected value of external consultancy is £10k or more the business case requires DoH Ministerial approval.

**** Please see section 9.4 of the [DoH User Guide](#) for advice on the governance arrangements for all IT-related expenditures

These delegations shall not be altered without the prior agreement of the department and, where applicable, DoF.

Annex 5 – Illustrative System of Assurance



Annex 6 – Concerns/Complaints in respect of Board members

In line with the NI Code of Good Practice and the arrangements in this Partnership Agreement the approach to concerns/complaints raised in respect of Business Services Organisation's Board members should be transparent and collaborative. The principle of early and open engagement is important, with the Department made aware of any concerns/complaints as soon as practicable.

While Board Members are Public Appointees/office holders rather than Business Services Organisation's employees, a Business Services Organisation's employee may utilise Business Services Organisation's grievance procedure/other HR procedure to raise a complaint against a Board member.

The Business Services Organisation's employee raising the grievance should expect this to be handled in line with Business Services Organisation's HR procedures.

Concerns/complaints might also be raised through:

- Raising Concerns/Whistleblowing arrangements;
- Complaints processes;
- Directly with Business Services Organisation or the Department.

Where a concern/complaint is received within Business Services Organisation in respect of an individual Board Member this should be provided to the Business Services Organisation's Chair who should notify the Department at the outset in order that lead responsibility for handling the complaint/concern is clear in advance.

Where a concern/complaint relates to the Business Services Organisation's Chair, Business Services Organisation should notify the Department at the outset for the Department to determine the approach to handling the complaint/concern.

Differences of view in relation to matters which fall within the Board's responsibilities are a matter for the Board to resolve through consensus based decision making in the best interests of the Business Services Organisation.

Exceptionally a concern/complaint may be raised by a Board Member about a fellow Board Member or a senior member of Business Services Organisation staff. The Business Services Organisation's Chair should notify the Department at the outset to ensure that arrangements for handling the concern/complaint are clear. The Department may determine that it should make arrangements to deal with the concern/complaint. This will be agreed at the outset.

A Non-Executive Board member is also afforded the same rights in relation to raising a grievance procedure or complaint, in compliant, with the Business Services Organisation's HR procedures.

Arrangements for concerns/complaints in respect of Board members should be reflected in all relevant procedures, including Standing Orders and Board Operating Frameworks.

Annex 7 - Applicable Guidance

The following guidance is applicable to Business Services Organisation

Guidance issued by the Department of Finance

- Managing Public Money NI
- Public Bodies – A Guide for NI Departments
- Corporate Governance in central government departments – code of good practice
- DoF Risk Management Framework
- HMT Orange Book
- The Audit and Risk Assurance Committee Handbook
- Public Sector Internal Audit Standards
- Accounting Officer Handbook – HMT Regularity, Propriety and Value for Money
- Better Business Cases NI guidance
- Dear Accounting Officer Letters
- Dear Finance Director Letters
- Dear Consolidation Officer and Dear Consolidation Manager Letters
- The Consolidation Officer Letter of Appointment
- Government Financial Reporting Manual (FReM)
- Guidance for preparation and publication of annual report and accounts
- Procurement Guidance

Other Guidance and Best Practice

- Specific guidance issued by the Department
- EU Delegations
- Recommendations made by the NI Audit Office/NI Assembly Public Accounts Committee
- NIAO Good Practice Guides
- Guidance issued by the Executive's Asset Management Unit
- NI Public Services Ombudsman guidance

Annex 8 – Role of the Minister

Role of the Minister

The Chair of Business Services Organisation is responsible to the Minister. Communication between the Board and the Minister should normally be through the Chair.

The departmental Accounting Officer is responsible for advising the relevant Minister on a number of issues including the Business Services Organisation's objectives and targets, budgets and performance.

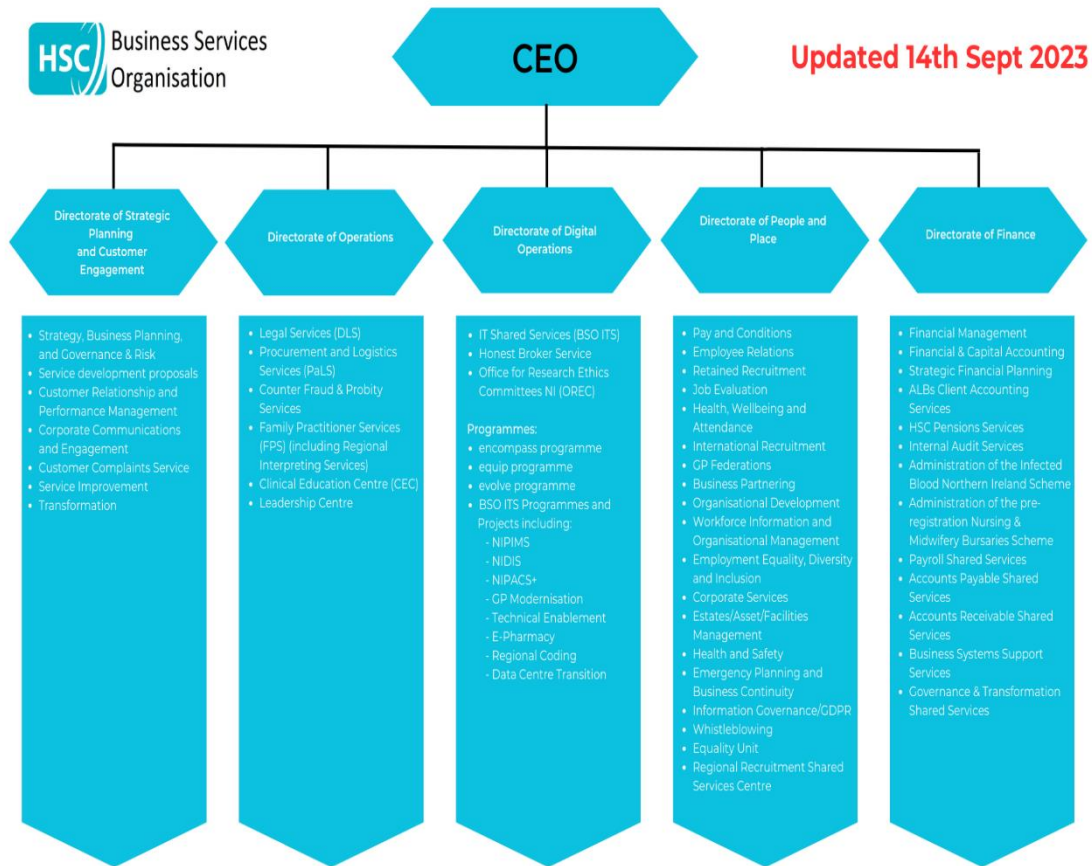
In addition to being answerable to the Assembly as laid out in paragraph 2.4, the Minister is also responsible for:

- Setting the strategic direction and overall policies and priorities for the Business Services Organisation as reflected in the PfG;
- Approving the Business Services Organisation's Business Plan;
- Setting the Business Services Organisation's budget; and
- Appointment of non-executive board members. The Minister may also be involved in considering the size and composition of the Business Services Organisation's Board – see para 15.3.

Annex 9 – Partnerships between Departments and Arm’s Length Bodies: NI Code of Good Practice

[NI Code of Good Practice v3 \(300323\).pdf \(finance-ni.gov.uk\)](#)

Annex 10 – Business Services Organisational Structure



Annex 11 – Memorandum of Understanding Between Department of Health and The Business Services Organisation

Memorandum of Understanding
Between
Department of Health
And
The Business Services Organisation

In relation to arrangements for former Health and Social Care Board

(HSCB) staff employed by the Business Services Organisation (BSO) and the provision of services in respect of the former functions of the HSCB, with effect from 1 April 2022

April 2022

19. INTRODUCTION

1. This Memorandum of Understanding (MOU) is a bilateral agreement between the Department and the BSO which outlines the responsibilities and obligations of the Department and the BSO, and the relationships between the two parties.

20. BACKGROUND

2. In November 2015, the then Health Minister outlined an end to the current way health and social care is commissioned in Northern Ireland and set out the need to strengthen accountability and authority within the system by streamlining structures, which included the closure of the HSCB. This decision was endorsed by Minister Swann in 2020 and it was agreed that legislation be taken forward to give effect to the closure.

21. LEGAL CONTEXT

3. The Health and Social Care Act (Northern Ireland) 2022 is the primary legislation enabling the dissolution of the HSCB, the transfer of most* of the former HSCB's functions to the Department and the making of schemes to enable the transfers of all the assets and liabilities of the HSCB to the Department or the BSO and the transfer of staff of the HSCB to the BSO under a hosting arrangement.

*The discharge of social care and children functions will continue to be carried out by HSC Trusts under the Department's Delegated Statutory Function power.

22. OPERATIONAL CONTEXT

4. The HSCB will cease to exist on 31 March 2022 at which point responsibility for its functions (excluding discharge of social care and children) will transfer to the Department. The Department's Strategic Planning and Performance Group (the Group) will be established from 1 April 2022 and will be responsible for carrying out these transferred functions. The staff of the HSCB will transfer and be employed by the BSO under a hosting arrangement, where they will retain their HSC terms and conditions and continue to undertake their current roles fulfilling functions of the Department under its direction.

5. The Group is not a legal entity in its own right; any reference to the Group is a reference to the Group as part of the Department.

23. RESPONSIBILITIES

6. Responsibility and accountability for the direction, planning and delivery of operational activities undertaken by the Group will reside with the Department.

7. The BSO will not be responsible or accountable for the direction, planning or delivery of the operational activities undertaken in the Group or any of the functions transferred to the Department.

8. A Service Delivery Plan will be put in place between the BSO and the Group so that the services previously provided by the BSO to the HSCB can be continued. This Service Delivery Plan will encompass all relevant Service Level Agreements that existed previously between the BSO and the HSCB in support of the new arrangement and with the terms of the Service Level Agreements continuing as before save where expressly agreed between the Parties.

9. The BSO will hold the budget for the Group's operating costs (salaries, facilities, goods and services etc). This is fully documented in the MoU, attached at Appendix 2

10. Ownership of the Linenhall Street facility and the lease in relation to County Hall, Ballymena premises will sit with the BSO. Staff in the Group located in these sites will continue to be located in and have access to these buildings unless the Department and the BSO jointly agree otherwise.

11. The BSO will be responsible and accountable for hosting the former HSCB employees transferred to the Group in terms of HR, IT and facilities. As such, staff in the Group will be required to comply with BSO's policies and procedures.

12. Staff in the former HSCB Digital Health and Care NI team will also be transferred to the BSO under a hosting arrangement pursuant to the staff transfer scheme. However, operational responsibility for these staff in terms of direction and oversight will reside with the Department's Chief Digital Information Officer rather than the Head of the Group.

13. A number of documents/MOUs have been developed in support of this overarching MOU and are appended as follows:

Appendix 1 – Hosting Principles
Appendix 3 – Legal Services MOU

Appendix 2 - Finance Services MOU
Appendix 4 – Internal Audit
Services MOU

Appendix 5 – Procurement and Logistics Services MOU

24. AGREEMENT AND REVIEW OF MOU

14. This MOU is not a legally binding document; it is not a contract between the two parties, nor is it intended to cover every aspect of the relationship between both. Each signatory agrees to work together within the framework outlined in this MOU.

15. The parties will keep each other promptly and regularly informed about any work being undertaken or issues arising which may impact on the other, or in which the other has potential interest. Issues arising from the operation of the MOU must be brought to the attention of the Head of Group and the BSO Chief Executive by either party as soon as practicable and vice versa.

16. This MOU will be further reviewed as considered necessary by the parties collectively and if appropriate, amendments may be made following any relevant changes to policies, procedures or structures of the parties concerned

17. Agreement to this Memorandum of Understanding is confirmed by the signature of the following:

**On behalf of the Department of
Health Date:**

**On behalf of the Business Services
Organisation
Date: 05/09/2022**

Karen Bailey
