

BUSINESS SERVICES ORGANISATION

Minutes of Proceedings

The fifty fourth meeting of the Business Services Organisation was held on Thursday 31 October 2013 at 2.00 pm in the Boardroom, BSO HQ, 2 Franklin Street, Belfast.

Present:

Mr Alexander Coleman (Chairman)

Mrs Geraldine Fahy

Mr Alan Hanna

Mr Greg Irwin

Mrs Hilary McCartan

Mr Robin McClelland

Mr Brian McMurray

Mr David Bingham (Chief Executive)

Mr Patrick Anderson (Director of Finance)

Mr Hugh McPoland (Director of HR &CS)

Mrs Teresa Molloy (Director of Operations)

In Attendance:

Mr Alphy Maginess (Chief Legal Adviser)

Mrs Karen Bailey (Director of Customer Care and Performance)

Miss Amanda Mills (Board Secretary)

Mr Greg McCloskey (AD Shared Services) for Agenda item 7

1. Apologies

Apologies for absence were received from Sean Mahon and Gerald Strong.

2. Chairman's Business

The Chairman welcomed everyone to the meeting and referred to the lunchtime event earlier in the day to mark the departure of Teresa Molloy. The Chairman, on behalf of members, wished Teresa every success in her new post in the Western Trust and thanked her for her dedication and professionalism whilst working for the BSO. It was also noted that Katrina McMahan, Business Manager, Leadership Centre was retiring today.

Members were informed that following an unsuccessful recruitment exercise for the Director of Operations post, it has been agreed that Ms Paula Sheils, Head of FPS, and Peter Wilson, Head of Pals will undertake as acting Director of Operations on a rotational basis. Ms Sheils will act as Director of Operations for the months of November and December and Mr Wilson January and February 2014. A further substantive recruitment exercise will re-commence in November for this post using the executive search recruitment process. Members were also advised that in the interim, the Chief Executive will take on managerial responsibility for the Counter Fraud Unit and Shared Services Departments.

The Chairman reminded members of the forthcoming event on 27 and 28 November 2013 for Board members where the strategic direction of the BSO will be debated. At that event there will be opportunity to discuss organisational structures.

The Chairman referred to the Ministerial Launch of Fraud Awareness Month on 2 October 2013 and congratulated the Counter Fraud Unit on the excellent work in organising this event. It was noted that the Minister also visited the Leadership Centre in October on his request to learn about the work of the both the Leadership Centre and the Clinical Education Centre.

The Outline Business Case (OBC) for the BSO Data Centre has been approved by the Department. The OBC has now been passed to DFP for full business case approval. Approval of this project now allows the BSO to take the options forward to a tender process which will be part of a wider NI Public Sector Data Centre project. Members welcomed this news.

The Chairman informed members of the sudden death of a member of staff who worked in the BSO's Legal Directorate. It was agreed that the Chairman would write a letter of condolence to his widow.

3. Minutes of Meeting held on 26 September 2013

The minutes of the meeting held on 26 September 2013 were agreed as a true and accurate record of proceedings and were signed by the Chairman.

4. Matters arising from Minutes

(i) Action Sheet Arising from Board Meeting (Paper BSO 82/2013)

The actions arising from the BSO Board meeting held on 26 September 2013 were noted by members.

(ii) Gartner Sub Group – Minute 4 (i) refers

Greg Irwin briefed members on the issues considered at a meeting of the Gartner Sub-Group which took place on 2 October 2013. The sub-group reviewed progress of the various workstreams along with the Risk Register for the project. Lengthy discussion took place around Workstream 1 – Restructuring of ITS and it was acknowledged that the recommendations outlined in the Project report should be considered and actioned by BSO as a matter of urgency. The Gartner Sub Group will meet again before Christmas.

(iii) Pals Cope – Re-Accreditation – Minute 5 (v)

In answer to a question from Greg Irwin, the Chief Executive was pleased to report that Pals have been successful in attaining the COPE Re-Accreditation.

5. Chief Executive's Report

(i) Head of CFU and Probity

The Chief Executive announced that Mr Mark Harvey has been appointed as Acting Head of CFU and Probity for one year with a possible extension to two years.

(ii) Pals- Cope Re-Accreditation

As advised earlier in the meeting Pals have been re-designated as a Centre of

Procurement Expertise (COPE) following a re-accreditation procedure using the Gateway process. The assessment team have submitted two reports to Pals with recommendations and it was agreed that an executive summary of the COPE re-accreditation reports would be presented to the November Board meeting.

(iii) *Honest Broker Service*

The Honest Broker Service is scheduled to go live in November. The service will sit within the Regional Data Warehouse team in the BSO and will be delivered by a cross functional team including support from FPS. All HSC organisations and the Department have signed up to the Memo of Understanding (MOU) for the Honest Broker Service and a recent pilot exercise to test the service in relation to the processing of internal applications has been successfully completed. It was acknowledged that this is a tremendous opportunity for the BSO and it was agreed that a presentation would be made in the New Year on this new initiative. It is hoped to have a formal launch by the Minister in early 2014

(iv) *OREC*

Following a recent audit of ORECNI by the NHS Health Research Authority in September 2013, OREC have been officially notified that it has been given full accreditation.

(v) *IHM Quality Awards*

The Accelerated Pharmacy Project (APP) has been shortlisted to the final stage of the IHM Awards. The awards ceremony will take place on the evening of 7 November 2013.

6. Financial Matters

(i) *Finance Report – 1 April to 30 September 2013 (Paper BSO 83/2013)*

The Director of Finance presented a Finance Report for the six month period ended 30 September 2013.

Section 2 of the report provided a summary of the reported income and expenditure position for the period, with an overall surplus reported for the period of £17k; the surplus had been generated by Core Services offset by a deficit within Managed Services. The finance report also reflected the outcome of the detailed Latest Best Estimate (LBE1) exercise, based on month 5 actuals, which projected a break even position at year end.

A breakeven position was reported within BSTP, however as reported to members at the October Board meeting this position was only arrived at as a result of a significant level of income being assumed from HSC, based on the full recharge of FPL and HRPTS systems maintenance costs and other Business as Usual (BAU) costs to HSC. To date the BSO has not received a commitment from HSC Trusts following the submission of BSO's proposal on recharging the costs. This issue has now been escalated to the Senior Responsible Officer (SRO) to try and secure a resolution on the matter.

The deficit in Healthy Start continues to increase and the Director of Finance has alerted this position to DHSSPS. The Director of Finance reminded members that DHSSPS in the Healthy Start SLA provide an assurance that BSO will not be financially disadvantaged by administering the Healthy Start Scheme.

Members were advised that BSO, following endorsement by SMT, submitted a further two capital expenditure bids in respect of structural work required in the Leadership and Clinical Education Centres. The Director of Finance reported that these bids were subsequently approved by the Department and the projects are scheduled to be completed in March 2014.

The Board noted this position.

7. **Presentation on Implementation of Shared Services by the Director of Operations and AD, Shared Services**

The Director of Operations and AD, Shared Services made a presentation to members on the progress to date iro the implementation of Shared Services in HSC. The key areas of progress were highlighted to members which included the approval of the OBC for Accommodation by DFP and the formal approval of the revised Implementation Project Plan for Shared Services by the BSTP Programme Board in September. The recruitment exercise to appoint Heads of Payments/Income/Recruitment and Payroll is now complete with the Head of Payments commencing post in December 2013. BSO is now focussing on populating the structures for each service area. The Governance structure has been discussed and work is progressing on the development of SLAs.

Members congratulated the Director of Operations and her team on the significant progress made to date and it was agreed that a further presentation would be made in the New Year.

8. **Implementation of BSTP in BSO (Paper BSO 84/2013)**

The Chief Executive updated members on key issues relating to both the BSTP and Shared Services projects. The implementation of FPL has now been rolled out to Southern and Northern Trusts and NIMDTA as well as SE Trust and NIAS. HRPTS is scheduled to go live in Belfast Trust in November.

Members noted the BSTP Highlight Report.

9. **Response to Audit Reports into BSTP Systems (Paper BSO 85/2013)**

The Chief Executive presented paper BSO 85/2013 which set out BSO's comments following the production of two Audit Reports relating to the implementation of the BSTP Systems. The first report related to HRPTS IT and in particular reviewed systems security, systems interfaces and business readiness. The audit was conducted in February 2013 and had a finding of "unacceptable" level of assurance. The second report was undertaken on behalf of the NI Audit Office relating to an information technology audit carried out in March 2013. The report concluded that it was unable to provide a full assurance iro BSTP systems. The two audit reports have previously been presented to the GAC at its meeting on 24 September 2013 where it was agreed that the Chief Executive should produce a report to the October Board setting out how BSO intends to respond to the audit findings and to the comments made by the Comptroller and Auditor General, regarding the impact of the new systems on the ability of HSC bodies to prepare financial statements in 2013/2014.

It was noted that the Chief Executive will report to SMT on a fortnightly basis with regard to the recommendations from the reports. It was noted that this approach adds a significant additional volume of work for SMT however it was recognised the importance that BSO places on this issue. The Chief Executive also informed members that he has secured the input of a member of staff to assist with this project and collate the files of evidence required to provide assurance where an audit recommendation was rejected or only partially accepted.

The emerging themes arising from both reports include the mal-functioning of interfaces between the new systems or with legacy systems, problems with the robustness of User Acceptance Testing (UAT) and systems security standards and processes not complete, both with BSO and with the two BSTP systems suppliers. The Chief Executive has commissioned an urgent review of the security of both systems set against contractual requirements and recommended practice. The Security Unit within ITS has been tasked to undertake this review in the first instance however if assistance is required from an external contractor the Chief Executive will liaise with SMT and ultimately the Board.

Members noted the position and it was agreed that the Chief Executive will provide updates to the Board on a monthly basis.

10. Corporate Balanced Scorecard (Paper BSO 86/2013)

The Director of Customer Care and Performance presented paper BSO 86/2013 setting out the performance of key service areas in the BSO for the period up to 30 September 2013.

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 Corporate Scorecard for September 2013.

11. Review of BSO Assurance Framework (Paper BSO 87/2013)

The Director of Customer Care and Performance presented paper BSO 87/2013 which sets out a review of the organisation's Assurance Framework for 2013/2014. She explained that it is a departmental requirement that all HSC organisations must undertake a review of their Assurance Framework by 30 September 2013.

Members approved the contents of the review subject to the inclusion of an additional key control relating to the establishment of Board sub groups under Key Component No 6.

In answer to a question from Hilary McCartan the Director of Customer Care and Performance confirmed that a paper will be presented to the November Board meeting updating members on progress against the actions in the 2013/2014 Business Plan.

12. Records Management (Paper BSO 88/2013)

The Director of HR & Corporate Services presented paper BSO 88/2013 containing three information governance documents for members' approval. The papers for approval were:-

Information Management Governance Framework
Information Risk Management Policy
Confidentiality Guidelines (including Code of Conduct).

Members approved the documentation subject to minor amendments.

13. Human Resources and Corporate Services Report (Paper BSO 89/2013)

The Director of Human Resources and Corporate Services presented paper BSO 89/2013 which set out a range of indicators in respect of the workforce and some performance measurements for HR and Corporate Services between 1 July and 30 September 2013.

Mr McPoland reported on staff absence information which indicated that in July 2013 staff absence was higher when compared to the same period in 2012, however in August and September 2013 it was lower than the same period in 2012. He advised that HR has commenced a programme of work to address the issue of long term absence.

Members noted the HR & Corporate Services report.

14. Property Asset Management Plan (Paper BSO 90/2013)

The Director of HR & Corporate Services presented a Property Asset Management Plan which has been produced following a directive from the Department. The Plan was produced to demonstrate that BSO is demonstrating compliance with the guidance in “Managing Public Money Northern Ireland” (MPMNI) and must be reviewed on an annual basis and submitted to the Department. A lengthy discussion ensued regarding the contents of the Property Asset Management Plan and it was agreed that the additional work was required before being submitted to the Department, in particular an additional paragraph setting out the rationale why BSO HQ and ITS is based in the centre of Belfast. It was agreed that SMT will review this paper and amend as appropriate.

15. Draft Mid Year Assurance Statement to 30 September 2013 (Paper BSO 91/2013)

The Director of Finance presented the draft mid-year Assurance Statement for 2013/2014 for review. He advised that the statement has been presented and reviewed by SMT and GAC and all proposed amendments had been made. Members were also advised that a draft statement had already been forwarded to the Department on 18 October 2013 in line with Departmental deadlines.

The Board approved the draft mid year Assurance statement with the proviso that reference be made to the Board Governance Self Assessment Action Plan.

The Director of Finance undertook to make the necessary amendments and submit the amended statement to the Department.

16. 2012/2013 GAC Annual Report to the Board (Paper BSO 92/2013)

Members noted the contents of the 2012/2013 GAC Annual Report to the Board. The Report set out the work of the GAC for the 2012/2013 financial year. It was noted that the GAC Annual Report is normally presented to the Board with the annual financial statements however due to the lateness of the submission of the accounts this year GAC decided to defer presentation of the report.

Members noted the GAC Annual Report for 2012/2013.

17. **Governance and Audit Committee (GAC)**

(i) *Minutes of Meetings held on 28 May 2013 and 24 September 2013*

Members noted the minutes of the GAC meetings held on 28 May and 24 September 2013.

18. **AOB**

(i) *Application to Travel outside the UK*

Members were asked to approve the following two applications for travel outside the UK iro Mr David Bryce, AD ITS and Mr Gary Loughran, Project Manager, NI Electronic Care Record Team to Barcelona and New York retrospectively.

Mr Bryce has requested permission to attend the Gartner Symposium in Barcelona and Mr Loughran has been invited to attend a Health Information Exchange Study Visit to New York. It was noted that the HSCB are funding the study trip.

Members approved both applications.

(ii) *Data Centre Update*

At the invitation of the Chairman, the Director of Customer Care and Performance provided members with an update on progress on the Data Centre issues. The testing of automatic notifications is complete and preliminary work has commenced on the installation of the power surge equipment with the physical power surge kit due to be installed in November. The equipment for the 3rd party data copy kit has arrived with a completion date for installation of December 2013. The Department have approved the Outline Business Case (OBC) for the Data Centre and have forwarded it to DFP for final approval.

In answer to a question from the Chairman, the Director of Customer Care and Performance advised that it is hoped to stand down the manual security guard arrangements in the Data Centres in the near future.

19. **Date of Next Meeting**

The next meeting of the BSO Board will take place on Thursday 28 November 2013 in the Meetings Room, Newcastle Centre, Central Promenade, Newcastle.

The Chairman thanked everyone for attending and closed the meeting.

Chair

Chief Executive

Date _____