

**BUSINESS SERVICES ORGANISATION**

**Minutes of Proceedings**

The one hundred and sixty third meeting of the Board of the Business Services Organisation was held on Thursday 22 June 2023 at 10.00am in the Conference Room, Lissue Industrial Estate, Moira Road, Lisburn, BT28 2RE and via MS Teams.

**Present:**

Mrs Julie Erskine (Chair)

Mr Robert Bannon  
Mr Mark Campbell  
Miss Patricia Gordon  
Mr Sean McKeever  
Professor Dorothy Whittington

Mrs Karen Bailey (Chief Executive)  
Mrs Karen Bryson (Director of Finance)  
Mr Ben Doran (Interim Director of Digital Ops)  
Mrs Karen Hunter (Director of SP&CE)  
Ms Lesley Young (Director of Operations)

**In Attendance:**

Mr Robin Arbuthnot (Deputising for Director of HR&CS)  
Miss Amanda Mills (Board Secretary)  
Mr Jonathan Semple (AD Supply Chain) in attendance for Agenda Items 7 and 14.1  
Mrs Hannah Francis (AD Finance) in attendance for Agenda Item 7  
Miss June Turkington (Interim CLA) in attendance for Agenda item 13

**1. Apologies**

An apology for absence was received by Paula Smyth.

**2. Conflicts of Interest Declarations**

There were no conflicts of interest declared.

**3. Minutes of BSO Board Meeting held on 25 May 2023**

The minutes of the meeting held on 25 May 2023 were agreed as a true and accurate record of proceedings.

**4. Action Template – Paper BSO 130/2023 refers**

Members noted the contents of the Board Action Template.

**5. Chairs Business**

The Chair briefed members on the key meetings she attended during the month of June.

**6. Chief Executive's Report - Paper BSO 131/2023 refers**

The Chief Executive presented her monthly report to the Board which included details of key meetings she attended during the month of May.

A further meeting of PTEB was held on 31 May 2023 where the main agenda item continues to focus on the sustainability of the Health Service and in particular the financial shortfall.

The BSO Encompass Support Programme Group meets on a monthly basis and is chaired by the Chief Executive. A key agenda item of this group is the transition into Business as Usual (BAU) once Encompass is fully operational and to that end a BSO/Encompass Future State Modelling Workshop takes place on a bi-monthly basis. The membership comprises of key BSO staff at a senior level, Encompass staff, CDIO and a number of Senior ICT Trust staff. This group has established a number of workstreams to identify what is required from BSO from go-live through to BAU. Workstreams report into the Future State Modelling Workshop. The issue of 24/7 support remains a key issue given that it is not included in the Encompass FBC.

The Equip Programme has reached a significant milestone in that agreement has been reached on the preferred bidder.

The Evolve Programme has missed a programme milestone due to difficulties in securing staff. This issue is caused by the lack of permanent funding to the programme as the business case was only approved on an annual basis. It was agreed that the Board would be kept apprised on this matter.

The Chief Executive held her monthly meeting with the Deputy Secretary of DoH Sponsor Branch and updated him on RSSC and highlighted the improvements in the Pre-employment checks (PECs). It was noted that the independent report to review the work of RSSC is scheduled to be presented to SMT on 29 June 2023 and thereafter the Action Plan will be presented to the August Board meeting.

## ***7. Draft 2022/23 BSO Annual Report and Accounts***

### ***(i) Draft BSO Annual Report and Financial Statement & Presentation on BSO Financial Statements – Papers BSO 132/2033***

The Director of Finance presented the Executive Summary to the BSO Financial Statements for the year ended 31 March 2023; the Director of SP&CE presented the Draft BSO Annual Report and Accounts for the year ended 31 March 2023.

She explained that the Annual Report and Accounts were presented to GAC at its meeting on 15 June 2023. However she has only recently been advised that the Audit Opinion of the External Auditors will be that BSO will be certified with a Qualified audit opinion for 2022-23 financial accounts due to the volume of PPE Masks and risk to the NRV of the organisations inventory held due to the uncertainty around future demand post Covid and the recent guide published by DoH in March 2023.

A significant debate ensued regarding this matter and in particular how the Board was only being alerted to this serious issue so late in the year. In particular the question was asked why the issue of the high volume of PPE Masks (Type 2R and FFPs Respirator Masks) and their obsolescence was not added to the BSO's Corporate Risk Register a high risk on (it was only included in PALs Service Risk Register). The DoF advised the Board that BSO followed the modelling guidance as recommended by the DoH and procured all PPE in line with this guidance. The Director of Finance along with the DoH DoF met with NIAO earlier this week to discuss the materiality levels but unfortunately NIAO have stated that they are unable to make a provision. The DoF assured

members that she will give this matter her highest priority and try to resolve to the best of her ability; she also intends to raise this matter at the next meeting of the Senior Finance Forum (SFF).

BSO has already established a Task and Finish Group to consider the mitigating actions to work through this crisis and Jonathan Semple briefed members on some of the actions which PALs have already commenced. It was agreed that the Board would receive a detailed briefing on the mitigating actions during the summer months via correspondence and a meeting of the Board if the need necessitated.

Miss Gordon acknowledged that as a Board this is poses a very serious governance problem and suggested that it may be prudent to consider appointing an external consultant to review the circumstances which led the organisation to be in this position. This was agreed by the Board and the Chair stated that she would discuss this matter offline with the Chief Executive and would agree a Terms of Reference to allow the Review to commence immediately. To that end the Chair suggested that the governance of the Board should be an agenda item for the Board workshop scheduled for 22 July 2023.

The Director of SP&CE presented the Draft Annual Report for 2022/23 and assured members that in one of the objectives for this year will be to review the governance processes for the organisation.

The Board endorsed the GAC's recommendation that the Annual Report and Accounts of the BSO for 2022/23 should be signed by the Chair, Chief Executive and Director of Finance along with the Letter of Representation (Paper BSO 135/2023 refers).

## **7.2 Draft Governance Statement - Paper BSO 133/2023 refers**

Members noted the Draft Governance Statement for 2022-23.

## **7.3 The Certificate and Report (Annex A) of the Comptroller and Auditor General to the NI Assembly (Including BSO Response to PPE Qualification) – Paper BSO 134/2023 refers**

The above mentioned documentation was considered and noted by members.

## **8. Finance Report – Month 2 – Paper BSO 137/2023 refers**

The Director of Finance presented paper BSO 137/2023; a finance report for the two month period ending 31 May 2023.

The summary financial position shows the reported income and expenditure position for the period, with an overall surplus reported for this period and at this stage in the year a break even position is forecast for year end. It was recognised however in light of the issue regarding the obsolete stock the breakeven position is heavily caveated. Members were advised that a draft business case is being produced to address the over stock position on the two PPE product lines for approval by DoH to allow the write off or provision on the BSO's accounts for 2023/24.

Members were briefed on the actions identified following a workshop to review the efficiency savings required to address the current financial situation and a service improvement plan will be developed to support the delivery of the savings instructed by the DOH. The Chair raised concern about the difficulties the organisation has around its responsibilities for the large programmes such

as Encompass and Equip and suggested that this should be an agenda item for a future Board workshop to clarify the responsibilities

Members noted the finance report for Month 2.

**9. Review of Committee Terms of Reference (BDC and GAC) – Paper BSO 138/2023**

Members noted the amendments to the Terms of Reference (TOR) for the Business Development Committee (BDC) and the Governance and Audit Committee (GAC). The TOR for the Remuneration and Terms of Service Committee will be reviewed at its next scheduled meeting.

**10. Corporate Balanced Scorecard – Paper BSO 139/2023 refers**

The Director of SP&CE presented paper BSO 139/2023 which set out the performance of key service areas in the BSO for the period up to 31 May 2023. She highlighted those measures with a red rag rating and explained the circumstances which led to the evaluations. It was noted that the NED/Exec Director pairing meetings had been reinstated and urged members to focus on the Business Plan when reviewing the service areas KPIs. Members were reminded that the completed pairing templates must be returned to SP&CE by the end of August.

Members noted the BSO Corporate Scorecard.

**11. Business Development Committee (BDC)**

***(i) Report of Meeting held on 12 June 2023 – Paper BSO 140/2023 refers***

The Chair of BDC briefed members on the key issues discussed at the BDC meeting held on 12 June 2023. The Committee received a presentation on Recruitment Shared Services and welcomed the improvements in performance however it was acknowledged that it was work in progress to standardise a number of recruitment processes.

The minutes of the BDC meeting held on 6 February 2023 were noted by members.

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

***(i) Report of Meeting held on 15 June 2023***

The Chair of the GAC briefed members on the key issues discussed at the GAC meeting held on 15 June 2023. As outlined earlier in the Board meeting a large proportion of the meeting was dedicated to consideration of the Annual Report and Accounts for 2022/23. Two Internal Audit reports were presented to the Committee with Limited Assurance: Recruitment Shared Services and IT Cyber Security. The GAC Annual Report for 2022/23 was considered and recommended for formal approval by the BSO Board at its meeting scheduled for 24 August 2023.

The minutes of the GAC meeting held on 20 April 2023 were noted by members (Paper BSO 141/2023 refers).

**13. DLS Performance Report – October 2022 – March 2023 – Paper BSO 142/2023 refers**

Miss June Turkington, Interim Chief Legal Adviser made a presentation to the Board on the DLS Performance Report (Oct 2022 – March 2023). It was suggested and agreed that an invitation should be issued to the Permanent Secretary to visit the Directorate of Legal Services to help him

gain an understanding of the complexity and range of services provided by DLS and the benefits it brings to HSC, eg Debt Recovery.

**14. Presentation**

**14.1 *Central Distribution Centre (CDC) Project***

Members received a presentation from Mr Jonathan Semple, Director of Supply Chain on the CDC Project, the aim of which is to centralise BSO PALs sites to grow and provide a more efficient regional service for HSC. It was agreed that the Board should be kept apprised of this project and agreed that this was the right direction to follow.

**14.2 *Introduction to the Office of Research Ethics Committees for NI (ORECNI)***

Unfortunately, due to time restraints it was decided to postpone this agenda item.

**15. AOB**

There was no any other business.

**16. *Date of Next Meeting***

The next meeting of the BSO Board will take place on Thursday 24 August 2023 at 10.00 am

The Chairman thanked everyone for attending and closed the meeting.

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Chair

\_\_\_\_\_  
Chief Executive

Date \_\_\_\_\_