

BUSINESS SERVICES ORGANISATION**Minutes of Proceedings**

The one hundred and eighty third meeting of the Board of the Business Services Organisation was held on Thursday 26 June 2025 at 10.00am in the Boardroom, BSO HQ, 2 Franklin Street, Belfast, BT2 8DQ.

Present:

Mrs Julie Erskine (Chair)

Mr Robert Bannon
Mr Mark Lowry
Mr Sean McKeever
Mr Linus McLaughlin
Mr Maynard Mawhinney
Mr Frederick Smyth
Prof Dorothy Whittington

Mrs Karen Bailey (CX)
Mr Ben Doran (Acting Director of Digital)
Mr Simon McGrattan (Acting DoF)
Mrs Paula Smyth (Director of People & Place)
Ms Lesley Young (Director of Operations)

In Attendance:

Mr Thomas McCaffrey (Head of Communications)
Ms Emma Corr (in attendance to assist with her Audit on Board Governance Self Assessment)
Miss Amanda Mills (Board Secretary)

1. Apologies

An apology for absence was received from Karen Hunter.

2. Conflicts of Interest Declarations

There were no conflicts of interest declared.

3. Minutes of BSO Board Meeting held on 29 May 2025

The minutes of the meeting held on 29 May 2025 were agreed as a true and accurate record of proceedings. Mr Mawhinney expressed his appreciation of the staff in RSSC, Armagh highlighting their enthusiasm and commitment. The Board agreed that this commendation should be formally recorded in the minutes.

4. Action Template – Paper BSO 43/2025 refers

Members noted the contents of the Board Action Template. The Chair confirmed that a follow-up on outstanding actions would be undertaken to ensure timely progress and accountability.

5. Chairs Business – Mrs Julie Erskine

The Chair briefed members on the key meetings she attended during the month of June 2025 which included attendance at the Annual RCN Nurse of the Year Awards.

A meet and greet session was held with the Interim Permanent Secretary, Mike Farrar, during which the Hybrid Working Policy, previously raised by DoH Sponsor Branch was discussed. The Chair also raised concerns regarding the re-scheduling of the year-end accountability meeting in September.

Members' Annual Appraisals for 2024-25 have been completed and submitted to the Department of Health (DoH).

The Chair is actively involved in the Committee in Common Group, which is exploring collaborative working across Trusts, with the first working group meeting planned for mid-July. The Permanent Secretary has accepted an invitation to attend the October Board meeting. The Chair also reported involvement in the Complaints Review Panel and noted positive negotiations with the Information Commissioner following a complaint and FOI request from a single individual.

6. Chief Executive's Report - Paper BSO 43/2025 refers

The Chief Executive presented her monthly report to the Board which included details of key meetings attended during June 2025.

The Equip Programme is receiving significant attention and effort from the team to ensure it remains on a positive trajectory. A Programme Board meeting was held with regional stakeholders, including Directors of Finance, and was well attended. Feedback was positive, and further updates will be provided by Craig Young during his presentation to the Board today.

A successful "Meet the Buyer" event was held, aimed at strengthening relationships with third-party suppliers. The Chief Executive also attended a briefing session led by the Permanent Secretary, focusing on the Reset Plan and encouraging collaborative efforts across the HSC to achieve savings. The BSO is leveraging its realignment process to demonstrate how it is addressing service gaps and contributing to savings, including through the use of AI. These insights will be shared at the July workshop.

The Chief Executive also reported on a review of Senior Executive Job Descriptions (JDs) in collaboration with Korn Ferry. This review spans all senior executive grades across HSC and follows the resolution of the pay structure. It is anticipated that all JDs will be submitted to DoH for onward evaluation. Additionally, the Chief Executive participated in the interview panel for the Belfast Trust Chief Executive role.

7. Draft 2024-25 Annual Report and Accounts

7.1 Report on 2024-25 Annual Report and Accounts (Draft) – Paper BSO 44/2025 refers

The Acting Director of Finance presented the draft Annual Report and Accounts for 2024–25. The Auditor and Comptroller General is expected to qualify the accounts due to both a material error and a limitation of scope related to PPE stock. While the regularity opinion of the Financial Statements was unqualified, a qualification arises from a shortfall in provision for stock deemed to be at risk. The auditors have identified a £6.5 million discrepancy for items with a known

shelf life, with an additional £3.9 million of stock deemed at risk due to indefinite storage and potential obsolescence. Board members expressed concern over the nature of these findings and the lack of provision from DoH.

It was agreed that a formal response would be drafted to refute specific statements in the Auditor's report, particularly paragraphs 11 and 14. The Board instructed that the term "reasonable" be replaced with "sufficient" in relevant documentation. The Governance and Audit Committee (GAC) will lead on this matter in 2025–26. The Board requested benchmarking against other UK regions regarding expiry policies and agreed to defer acceptance of the accounts pending resolution.

A new policy on stock expiry will be developed for 2025–26.

7.2 2024-25 Draft Governance Statement – Paper BSO 45/2025 refers

The draft Governance Statement for 2024-25 was reviewed and it was noted that no internal divergences were reported. The section on PPE will be revised to reflect discussions and ensure clarity. The Acting DoF advised that the auditors have already reviewed this section and raised no issues.

7.3 The Certificate & Report (Annex A) of the Comptroller and Auditor General to the NI Assembly – Paper BSO 46/2025 refers

The above mentioned documentation was considered and noted by members.

7.4 Draft BSO Annual Report and Accounts for 2024-25 – Paper BSO 48/2025 refers

The Board endorsed the GAC's recommendation that the Annual Report and Accounts of the BSO for 2024/25 should be signed by the Chair, Chief Executive and Acting Director of Finance along with the Letter of Representation (**Paper BSO 47/2025 refers**).

8. Finance Report – Month 2 – Paper BSO 49/2025 refers

The Acting Director of Finance presented paper BSO 49/2025; a finance report for the two month period ending 31 May 2025. 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 agreed that future financial statements will include reference to stock provision. The Capital forecast was reviewed which included major programmes such as ITS, Equip, and Encompass.

9. Update on Management of PPE and Audit Qualification – Paper BSO 50/2025 refers

The Director of Operations and Acting DoF updated members on the mitigating actions being taken to manage the levels of surplus PPE.

10. Presentation on Procurement Function Re-Design – Paper BSO 51/2025 refers

Linda O'Hare, Assistant Director of Procurement presented a summary of the closure report following the redesign of the procurement function. The project aimed to enhance responsiveness and agility to meet customer demands and prepare for the Procurement Act. The approach was co-designed and phased, with benefits realisation and a new costing model underway in collaboration with BSO Finance. Staff retention has improved due to the career

pathway initiative, and members were advised that it is anticipated that there will be senior-level vacancies later this year.

It was agreed to hold a future Board meeting in PALs during this financial year.

11. Presentation – Equip Programme Update

Craig Young, Programme Director provided an update on the Equip Programme, which involves replacing legacy systems (HRPTS and FPL) with Oracle Fusion. The programme had entered Red Status in April 2025 but has since returned to a Green plan. Improvements have been made in governance, delivery, and partner engagement.

The Board was assured of the Programme’s progress and the documentation supporting the status change. The Interim Director of Digital highlighted that whilst the new system’s running costs are higher than HRPTS, long-term savings are expected with this invest to save project.

12. Report of GAC Meeting held on 20 Jun 2025

The Chair of GAC briefed members on the key issues considered at the GAC meeting held on 20 June 2025. Both Internal and External Audit rated audit reports as highly satisfactory, providing a high level of assurance despite comments on agenda item 7.3. The Chair expressed appreciation for the work of Internal Audit, especially during the challenging year-end period.

The minutes of the GAC meeting held on 20th May 2025 were noted by members (Paper BSO 52/2025 refers).

13. AOB

There was no AOB.

14. Date of Next Meeting

The next meeting of the BSO Board will take place on Thursday 28 August at 10.00am in the Conference Room, BSO Accounts Payable Shared Services Centre, Greenmount House, Woodside Industrial Estate, Woodside Road, Ballymena, Co Antrim.

The Chair thanked everyone for attending and closed the meeting.

Chair

Chief Executive

Date _____