



Business Services Organisation
Annual Report and Accounts
For the year ended 31 March 2020

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*Laid before the Northern Ireland Assembly under the Health and Social Care (Reform) Act
(Northern Ireland) 2009, schedule 3, paragraph 10(5) by the Department of Health on
28th July 2020*

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Section A

PERFORMANCE REPORT

Statement from the Chief Executive



Mr Liam McIvor
Chief Executive

Welcome to the Annual Report and Accounts 2019/20 of the HSC Business Services Organisation (BSO). Amidst the many successes, we must also recognise in this Annual Report, the exceptional pressures faced by the Health and Social Care System (HSC) across Northern Ireland which are well documented and reported. In particular at this time, we are facing unprecedented demand for services due to the Coronavirus (COVID19) outbreak and BSO is continuing to support our HSC colleagues' right across the system to deal with the extraordinary events which continue to unfold. We have worked to ensure core services continue to be delivered, with the prioritisation of critical services having taken place. In particular our Procurement and Logistics Service (PALS) has experienced a surge in activity to ensure essential supplies and equipment is available to the clinical and non-clinical staff across HSC. During this period, the Clinical Education Centre also experienced high demand to train staff for deployment to the front line to support the HSC response to the Coronavirus Pandemic. The BSO IT Services Team have also faced huge demand and are working to facilitate as many people across the system as possible to observe the Government's Social Distancing Policy by extending network services to facilitate staff to work from home. This has been an immense challenge and one we will continue to work to achieve.

During this time, the Health & Social Care Board (HSCB) and Public Health Agency (PHA) established Silver Command and met on a daily basis. I represented BSO and the Director of Operations chaired the Supplies/Personal Protective Equipment (PPE) Cell Group. The Director of Human Resources & Corporate Services chaired the HR Cell Group. From a BSO perspective the main issue throughout the period continued to focus on maintaining the supply of PPE equipment, IT Services and staff supply across HSC to manage the increase in demand. BSO moved into Business Continuity mode during the period of the outbreak which is continuing.

We have once again seen many achievements, successes and developments over the course of the past year with BSO staff continuing to strive for innovation and excellence in the delivery of

services. A number of our key achievements are set out in the Performance Analysis section at page 22. Notably our staff and services have been recognised for their outstanding contributions to health and social care in a variety of regional and national award schemes once again this year.

In preparation for the UK Exit from the EU, significant work was undertaken by BSO and in particular within our Procurement and Logistics Service to ensure any risk to the supply of essential equipment and medicines was minimised. The Government has now moved into the transitional phase until the end of December 2020. BSO will continue to ensure essential supplies are available to our partners and customers.

The focus on transformation of the HSC continues through the Minister of Health's Strategy, *'Health and Wellbeing 2026: Delivering Together'*. Throughout this year, I have continued to represent the BSO on the Transformation Implementation Group (TIG) established to lead the design, development and implementation of the Transformation Programme. This programme was established to oversee the myriad of changes required to deliver and sustain structural reform to the HSC as outlined in *'Health and Wellbeing 2026: Delivering Together'*.

Supporting the transformation agenda is paramount and in the BSO we continue to strive towards transforming our own systems and processes. As an example, we have automated a number of our processes this year to add value and increase service efficiency, enabling a 24/7 service across many areas of our business most notably in our Shared Services Centres.

In line with our transformation agenda and with the increasing use of digital platforms across the HSC, the protection of confidential patient information is of paramount importance to BSO. BSO has continued its work this year to ensure all staff are aware of their responsibilities for maintaining the systems, policies and processes designed to protect all users in the HSC system. I particularly welcome the launch of the HSC Cyber Security Incident Response Plan launched in March 2020 as often during times of crisis, cyber-attacks can unfortunately be more prevalent. The Plan sets out the arrangements for coordination of ICT services in the event of a Cyber Security Incident which could potentially put patient data at risk. It has been developed through a collaborative approach and explains how ICT services will work together to co-ordinate a HSC wide ICT response in the event of a cyber-attack affecting any sector of the HSC. In the event that an incident occurs in more than one organisation, the BSO will take on management for the response.

In November 2019, I attended the Annual Senior Staff Planning Day where our senior staff presented successes gained over the course of the year in areas such as transformation, customer engagement, strategy and performance and automation. This event was a great opportunity for me to engage with our wider senior staff team and to celebrate and encourage the range of new ideas they are bringing forward.

At the Senior Staff Planning Day, we also heard from Dr Tony Stevens, Chief Executive of the Northern Health & Social Care Trust, about the Integrated Care Prototype. Through an interactive session the senior team engaged with Dr Stevens on ideas for collaboration, sharing of skills and knowledge and working more closely through partnership and engagement across HSC to support this new initiative.

The Encompass Programme continues to work towards the creation of an integrated digital patient record for every citizen in Northern Ireland. This system will hold records of all medical notes, medicines prescribed, tests ordered and referrals made and received for every patient across the HSC in Northern Ireland. In June 2019 following a rigorous procurement process to select the right partner, Epic, a global leader in the delivery of electronic health records, was selected. At this time, the Department of Health is working to consider the Business Case which signifies another milestone in the Programme. Once the Business Case has been approved by the Department of Health, I will be asked to award the contract on behalf of HSCNI.

In line with the recommendations of the Public Sector Shared Services Programme, the HSC has established the Digital Shared Services programme. The inaugural meeting, Chaired by the Chief Executive of the Southern Trust took place in May 2019. Delivery of this programme is being led by BSO IT Services and represents a significant milestone towards achieving the vision for Digital Shared Services.

During this year, BSO has continued to focus on our growth and development strategy with the aim of broadening the scope and reach of our services to a wider range of organisations across the health sector and beyond. I am pleased to report that we have engaged with NHS Wales to provide the Family Practitioner Payments Service. In December 2019 funding was secured by NHS Wales to proceed and in January 2020, the Permanent Secretary of the Department of Health issued the Department's approval to proceed with the proposed agreement. The BSO ITS

Department are working closely with NHS Wales undertaking preparatory work in anticipation of a formal heads of agreement to progress this matter.

In relation to the Closure of the Health and Social Care Board (HSCB), whilst it remains the intention to close the HSCB, a decision was taken this year to delay the closure until March 2022. An Oversight Board has been established to oversee the transition and assess options for the model to be introduced to deliver the functions currently undertaken by the HSCB post closure. As BSO has been identified as the host organisation for HSCB staff, it has been a priority for myself and the BSO Board to ensure a clearly articulated accountability framework is in place to clarify for BSO what the proposed hosting arrangements will look like. Primary legislation to enable the transition is currently being drafted. This must be completed by July 2021 to enable the change to take place in 2022. BSO staff continue to participate in ongoing work to clarify governance issues with the Department of Health and the HSCB in relation to a hosting agreement which will allow for HSCB staff to be hosted within BSO.

In June 2019, BSO formally launched the HSC Values across the organisation. A shared set of values and behaviours provide clarity for all staff, including prospective staff, on the values they should live by every day, and the behaviours expected of them, regardless of the HSC organisation they work for. The HSC Values comprise: Working Together, Excellence, Openness and Honesty and Compassion. They are our touchstone for every interaction we have with each other, our clients, our patients, their families and our partners.

In February 2020 the BSO hosted our first Leadership Conference to celebrate 10 years of BSO. The theme of the conference was 'Collective Leadership' in support of the HSC Collective Leadership Strategy developed in response to '*Health and Wellbeing 2026: Delivering Together*'. Delegates on the day heard from a range of inspirational health and social care professionals working to promote and demonstrate achievement towards the aim of developing and embedding collective leadership behaviours across the HSC. It was a real privilege to celebrate, with our staff and Board Members, the achievements of the last 10 years and to look forward to the future.

Our existing Corporate Strategy 2018/21 was published in 2018 and since then my staff have secured significant progress towards achievement of the BSO Mission "*To provide high quality business services which support our customers to improve health and well-being*". Looking ahead

to the incoming 2020/21 year, we are excited to have the opportunity to refocus our priorities and will be developing our new Corporate Strategy for 2021/25. We look forward to engaging with all our stakeholders on the priorities for BSO that will see us continue to deliver a first class service to our partners across health and social care.

In the incoming year, I look forward to leading the BSO and continuing our work supporting essential Health and Social Care delivery across Northern Ireland.

Report of the Non-Executive Directors



Ms Julie Erskine

Chair

The Chair and the BSO Board have put on record their sincere and deep gratitude for the effort that BSO staff at every level have given to the current challenges around the COVID 19 outbreak. The unique circumstances faced have meant that we all have had to change the way we work on a day-to-day basis. This can normally take some time, but what the Board has experienced from staff is remarkable. We have watched staff at all levels work around the clock to ensure that we are continuing to serve our customers and clients. We have heard about junior staff coming in from home as essential key workers to support their managers who are under pressure. This is testament to the commitment of our staff to the wider aims of the health system across Northern Ireland. The Board has acknowledged the huge efforts made by many individuals and teams to react to demand right across every area of BSO. The work and the professionalism shown by staff is making a real difference in supporting the wider health and social care sector, and ultimately our patients and clients.

The Chair and the Board have been hugely impressed by the evidence of excellent team working and have been reassured that the plans made by the Chief Executive and Directors which are continuing to provide support to the wider system as well as to this organisation. The Board has expressed their gratitude for the expertise, foresight and fortitude of our people.

Strategic Priorities

Throughout this year the Board has continued to oversee delivery of the organisation's priority areas as set out in our Corporate Plan 2018-2021. The BSO Corporate Plan was approved by the Department of Health in 2018 and sets out our values and objectives over the 3-year period up to 31st March 2021. Throughout this year, progress against achievement of the objectives set out in the Corporate Plan was continuously monitored and reported to the BSO Board every quarter with excellent progress across all areas demonstrated. These achievements are welcomed especially as the organisation faced significant pressures from issues such as our preparations for the UK Exit from the EU and the Industrial Action by Healthcare Staff during the latter part of the reporting year.

The BSO Corporate Objectives will continue to be the focus of our work during the final year of our current Corporate Plan. Our core objectives are:

- **Deliver High Quality, Valued Services;**
- **Develop Our Services in Partnership with Our Customers;**
- **Demonstrate Continuous Improvement in Pursuit of Excellence; and**
- **Help Our People Excel at What We Do.**

Board Engagement

The Board has maintained its engagement with staff and key stakeholders throughout the year through a series of events, workshops and presentations. In November 2019 we received a presentation from the Legal Services Team in relation to the work undertaken by the Department on Family Law which is an area experiencing increasing demand from partners across the HSC. The Board also held a Risk Workshop with the Customer Care & Performance Team in November to discuss and agree issues identified through a Horizon Scanning exercise. In December the Board received a presentation from the Chair of the Strategic Resourcing Innovation Forum (SRIF) in relation to collaboration with the BSO Recruitment Shared Services Centre. Also covered in this session were the new innovative processes developed to improve user experience through automation, improved communications and improved visibility of data for managers across the HSC. These are only a few examples of the engagement work undertaken by the Board during this period. The Board continued its work in this vein by attending a number of events throughout the year.

In April 2019, the Chair attended an event hosted by the Directorate of Legal Services to celebrate the success of the staff in the debt recovery team for their work in recovering debt worth £3.2m during the previous financial year.

In May 2019 the Chair attended the official opening of the new Honest Broker Safe Haven facility in Franklin Street. Funding for this facility was provided by Dementia E-Health and the Data Analytics Pathfinder Programme.

In May 2019, the Chair attended an event in Clady Villa to mark the signing of the new Technology Framework Agreement. This is a multi-supplier framework agreement enabling the procurement and supply of goods and services to our IT Services and Procurement and Logistics Services.

The Chair attended a Disability Placement Scheme Induction event in November 2019. The event was very well attended and the Chair's congratulations were passed on to the staff from the BSO Equality Unit who facilitated the event. The Chair suggested to members that she wished to invite one of the disability placement staff to a future Board meeting to brief them on their experience working in BSO.

In December 2019 the Chair and Mr Robert Bannon attended a Centre of Excellence (COE) event where BSO Accounts Receivable were formally awarded their COE status by the Chief Executive of the Chartered Institute of Credit Management (CICM). The BSO Board was very proud of that achievement as it is recognised that our Accounts Receivable Shared Service were one of the only public bodies to win this type of award at that time.

The Chair, along with the Chief Executive also attended a workshop in December 2019 for Executive Directors and Non-Executive Directors of ALBs to provide advice and guidance on the draft HSC Board Member Handbook. The handbook has been produced by the ALB Board Effectiveness Sub Group as part of the Programme set up by the Department of Health to address recommendations arising from the Hyponatremia Inquiry. The new handbook seeks to ensure the roles and responsibilities for quality and leadership by ALB Boards are clearly set out.

In February 2020, the Chair attended the Annual Office for Research Ethics Committees (OREC) Training Event at Mossley Mill. This event was well attended by HSC Research Ethics Committee Members, Managers and staff from OREC as well as managers with responsibility for Research and Development in the Public Health Agency and the Health Trusts across Northern Ireland.

In February 2020, Professor Dorothy Whittington, Mr Mark Campbell, Mr Robert Bannon and the Chair, Mrs Julie Erskine attended the BSO Leadership Conference at the Hilton Hotel, Templepatrick. This was a fantastic opportunity for the Board to engage directly with staff from across the BSO and to hear about the successes for BSO over its 10 year history. The theme of the conference was Collective Leadership and on this theme we heard from colleagues working in the HSC about research and how Collective Leadership is being put into practice across the wider health system.

Board roles, responsibilities and moves during 2019/20

The Board of the BSO is made up of a combination of Directors, Executive Directors and Non-Executive Directors. The Board is Chaired by Mrs Julie Erskine. A full outline of the BSO Board is included at Section B in the Accountability Report.

During the reporting year, Mr Robert Bannon Chaired the Business and Development Committee and Mr Jeremy Stewart Chaired the Governance & Audit Committee. Mrs Julie Erskine Chaired the Remuneration & Terms of Service Committee. Professor Dorothy Whittington continued in her role as the Board's Disability Champion and Mr Jeremy Stewart continued as the Whistle Blowing Champion.

Two of our Executive Directors left the organisation to take up new roles elsewhere in the HSC during this reporting period.

- Mrs Wendy Thompson, Director of Finance left in April 2019. Mrs Thompson was replaced on an interim basis by Mr Simon McGrattan. Mrs Karen Bryson was appointed to the role on a permanent basis from January 2020.
- Mrs Karen Hargan, Director of Human Resources & Corporate Services left in September 2019. Mrs Hargan was replaced on an interim basis by Mrs Paula Smyth. Mrs Smyth was appointed to the role on a permanent basis from March 2020.

The majority of our Non-Executive Directors terms of office will expire in December 2020.

Looking ahead to 2020/21

As the period for our current Corporate Plan approaches, the Board looks forward during the coming year to engaging with staff and partners across the HSC to develop our new Corporate Plan for 2021/25.

Purpose and Activities of the Organisation

The Business Services Organisation (BSO) was established on 1 April 2009 under the Health and Social Care (Reform) Act (NI) 2009 as part of the second phase of the Review of Public Administration (RPA). The BSO was created to deliver a range of business and specialist professional support services to Health and Social Care (HSC) organisations across Northern Ireland.

Services are provided to 11 Arm's Length Bodies of the Department of Health as well as to the 6 HSC Trusts. 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, Research, Finance, Pensions, Training and Performance. A Shared Services Centre also operates from various locations across Northern Ireland. Reports on the full range of services delivered are included within Section B of this Annual Report.

The Headquarters of the BSO is based at 2 Franklin Street, Belfast. We also deliver services from a number of satellite offices located throughout Northern Ireland.

BSO AT A GLANCE 2019/20



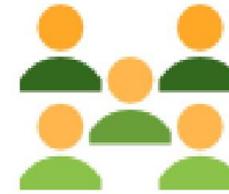
£3.2m

Legal Debt recovery



25 year

Service recognition scheme launched in September 2019



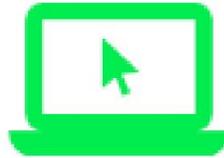
500+

Employees received conflict & harassment bullying training



1 million

Surpassed 1 million requests for interpreting services on 6th June 2019



1800

HSC staff attended Encompass solutions demonstrations



1st

Cultural Assessment Survey launched in February 2020



97,000+

Hours of legal support for HSC clients



45,000+

Attended CEC training events in 2019/20



592

Pension consultations for HSC scheme members

Corporate Mission, Values and Objectives

Our Mission:

“To provide high quality business services which support our customers to improve health and well-being.”

Strategic Objectives and Values 2018/21

In order to help us fulfil our Mission, our Corporate Objectives for the three year period 2018/21 are to:

- (i) Deliver High Quality, Valued Services
- (ii) Develop Our Services in Partnership with Our Customers
- (iii) Demonstrate Continuous Improvement in Pursuit of Excellence
- (iv) Help Our People Excel At What We Do.

Our Values will be aligned our Corporate Objectives to ensure that we deliver to our Mission and will be the focus of everything we do:

- Working Together
- Excellence
- Compassion
- Openness & Honesty

The BSO Strategy for 2018/21 is diagrammatically represented overleaf.



CORPORATE MISSION, VALUES & OBJECTIVES 2018-21

"to provide high quality business services which support our customers to improve health and well being"



We Aim To ...

Corporate Response

By 2021, we will ...

Good Governance

Deliver High Quality, Valued Services



- Financial Strategy
- Quality Strategy
- Communications/ Engagement Strategy



Have demonstrated delivery of a High Quality, Efficient Service Offering to HSC, contributing to Improved Health and Well-being

Develop our Services in Partnership With Our Customers



- Customer Relationship Strategy
- Corporate/Annual Business Plans



Have demonstrated our ability to Add Value in Partnership with our Customers and responded to the challenge of Public Sector Shared Services

Demonstrate Continuous Improvement in Pursuit of Excellence



- Business Process Efficiency Strategy
- Re-/Accreditations/ Professional Qualifications



Have embraced Digital Solutions and opportunities to Transform Our Services

Help Our People Excel At What We Do



- Benchmarking
- Human Resources Strategies, including Recruitment and People Strategies



Be Recognised as a Skilled, Professional Workforce and an Essential Partner in Effective Healthcare Delivery

Social and Environmental Responsibility

Delivering Together: Health and Wellbeing 2026 and the Programme for Government

Strategic Issues and Risks

The BSO is an Arm's Length Body and is required to take its lead from wider strategic vision and goals of the Department of Health (DoH). BSO is conscious of the strategic context within which it operates within the wider Health and Social Care system (HSC), and aims to support the over-arching Programme for Government and the wider Public Health agendas. BSO aims to do this through a framework of good governance and which takes account of its social and environmental responsibilities.

A number of specific developments have occurred during 2019/20 which will affect future plans for the BSO. These are outlined in the Chief Executive's Statement.

Risk Management is an organisation-wide responsibility. In the BSO, there are two key levels at which the risk management process is formally documented i.e. Corporate and Service Risk Registers. The BSO receives much of its assurance through its Corporate Risk and Assurance Report. This Report details the risks to the achievement of Strategic Objectives, outlines the existing controls and assurances and identifies gaps in controls and assurances outlining any necessary actions required to control these gaps. Progress on risk actions and changes to the risk profile were monitored monthly by the BSO Senior Management Team, quarterly by the Governance and Audit Committee (GAC) and biannually by BSO Board throughout 2019/20.

The BSO risk control framework was further strengthened in 2018/19 by the implementation of a new Risk Management Strategy in line with an agreed HSC Regional Risk Approach and based on the principles of ISO 31000: 2018. The strategy is currently being reviewed to ensure it remains up to date.

Further detail concerning Risk Management processes, issues and challenges to BSO in 2019/20 and anticipated future issues is contained in the Governance Statement section of this document.

PERFORMANCE ANALYSIS

Performance Analysis 2019/20

The current BSO Corporate Strategy covers the three year period from 2018/21 and includes our Strategic Objectives, Mission and Values. The BSO set a wide range of challenging priorities and targets in 2019/20. These were aligned with our strategic Corporate Objectives and incorporated into our Annual Business Plan with appropriate key actions set against them. The strategic aims of the BSO are centred around the standard of services provided to our customers, coherently summarised through our mission statement: 'To provide high quality business services which support our customers to improve health and wellbeing'.

Our Corporate Plan is aligned to the aims outlined in the various Department of Health strategies including:

- The vision set out in 'Delivering Together: Health and Wellbeing 2026'
- 'Making Life Better' public health framework 2012-23
- The draft 'Programme for Government Framework 2016-21'

We use a wide range of planning, monitoring and reporting mechanisms to measure and report on performance across the organisation. The ensuing paragraphs provide a collective summary of our achievements against the Strategic Objectives throughout the year, including performance against those priorities and targets.

1. Delivering High Quality, Valued Services

Key Achievements

By **September 2019**, we had agreed, documented and implemented the roles and responsibilities of BSO in respect of General Data Protection Regulations (GDPR) for our customer organisations. This can be evidenced through the development of a Memorandum of Understanding (MoU) approved by the Information Governance Group and signed off by the Chief Executive. The MoU has been shared and agreed with all of our HSC customer organisations.

By **September 2019**, we established a service supporting the recruitment of international nurses and doctors within the HSC Trusts. This involved the appointment of a small team within our Human Resources Directorate to support delivery of this HR function to the Trusts, in line with the agreed development proposal for international recruitment.

By **September 2019**, we appointed Nurse Education Consultants within the HSC Clinical Education Service to deliver an accelerated OSCE (Objective Structured Clinical Examination) programme.

By **January 2020** we maintained Business Continuity within Procurement and Logistics following the UK's exit from the European Union.

2. Develop our services in Partnership with our customers

Key Achievements

By **June 2019**, we issued our notification of intention to award the contract to the main Encompass solution supplier, EPIC.

By **August 2019**, we implemented the arrangements for Single Employer Status of junior doctors. This was achieved by working in collaboration with the Department of Health and the HSC Trusts.

By **November 2019**, we finalised the Stakeholder Management Strategy and associated Communication Plan for the Encompass programme.

By **December 2019**, we appointed a new Junior Counsel Panel covering all relevant areas of law. The Junior Counsel Panel came into being on 1st January 2020 for a period of five years.

3. Demonstrate Continuous Improvement in Pursuit of Excellence

Key Achievements

By **June 2019**, we identified key target areas for the 2019/20 Internal Audit programme with a particular focus on data analytic work.

By **September 2019**, we finalised the ITS Audit Strategy.

By **December 2019**, BSO Accounts Receivable was awarded Centre of Excellence status by the Chartered Institute of Credit Management as well as obtaining Quality Re-Accreditation.

By **December 2019**, we implemented a transformation plan in relation to Payroll Shared Services. This complied with ongoing Internal Audit recommendations. Therefore, it is an evolving piece of work that will continue into 2020/21 and beyond as Shared Services Payroll grows within Health and Social Care

By **March 2020** we implemented a streamlined process for the movement of appointees already working within Health and Social Care by introducing a 'passport' style approach. This solution helped to further refine the HSC pre-employment checks process through the Performance Improvement work-stream of the Strategic Resourcing Innovation Forum (SRIF).

4. Help our people excel at what we do

Key Achievements

By **June 2019**, we had rolled out the shared HSC Values across the organisation. A shared set of values and behaviours provide clarity for all staff, including prospective staff, on the values they should live by every day, and the behaviours expected of them, regardless of the HSC organisations they work for. The HSC Values include: Working Together, Excellence, Openness and Honesty and Compassion.

By **June 2019**, we launched a new Conflict, Bullying and Harassment Policy.

By **September 2019**, we launched the 25 years' Service Recognition award to staff with an additional week's leave on completion of 25 years' NHS / HSC service.

By **February 2020**, we launched the HSC's first Cultural Assessment Survey. This survey was designed to help build a picture of what working life is like for all employees with a particular focus on values, team-working and compassion.

In addition to the priorities and targets set out in our Corporate and Annual Business Plans, BSO has also agreed a wide range of Key Performance Indicators to manage the performance of Service Level Agreements with our customers and the BSO Board. We report performance against those targets using the Balanced Scorecard approach on a monthly basis. A selection of some of our key indicators are set out overleaf:

How did we perform in 2019/20?

Key Performance Indicator	Target	Performance Results for 2019/20
Average processing time per non-stock requisition (Procurement and Logistics Service)	5 days	3.5 days
% of products supplied on 1 st request (Procurement and Logistics Service)	95%	99.1%
% of IT incidents resolved within target	90%	95.5%
% of Invoices paid within 10 days	70%	96.89%
% of Invoices paid within 30 days	95%	98.76%
Absence Rate	4.27 days	4.11 days
General Recruitment – Overall Time to Fill (HSC-wide)	85%	80.5%
% of Complaints, Data Protection and Freedom of Information requests resolved within timeframe	100%	80.8%

Public Sector Payment Policy - Measure of Compliance

The Department requires that BSO pay their non HSC trade creditors in accordance with applicable terms and appropriate Government Accounting guidance. The BSO's payment policy is consistent with applicable terms and appropriate Government Accounting guidance and its measure of compliance is:

	2020 Number	2020 Value £000s	2019 Number	2019 Value £000s
Total bills paid	265,376	147,429	254,627	141,399
Total bills paid within 30 day target	262,307	135,289	251,418	122,704
% of bills paid within 30 day target	99%	92%	99%	87%
Total bills paid within 10 day target	257,060	110,722	247,592	105,823
% of bills paid within 10 day target	97%	75%	97%	75%

Sustainability Report

A sustainable Health & Social Care system in Northern Ireland means improved working environments, greater cost savings and better service to the residents of Northern Ireland with a reduced environmental impact. Sustainable development in the HSC is integral for those involved in providing, managing and using HSCNI healthcare facilities to work towards sustainability.

An organisation as expansive as BSO has many different priorities and pressures. Our Corporate Services Department seeks to demonstrate how sustainability lies at the heart of our work. This approach can greatly enhance long-term paybacks on both the environment and building infrastructure/plant.

The Statutory Duty for Sustainable Development applicable to public authorities was set out at section 25 of the Northern Ireland (Miscellaneous Provisions) Act 2006 and applies to all Northern Ireland Departments and District Councils. The six priority areas are:

- Building a dynamic, innovative economy that delivers the prosperity required to tackle disadvantage and to lift communities out of poverty;
- Strengthening society so that it is more tolerant, inclusive and stable and permits positive progress in quality of life for everyone;
- Driving sustainable, long-term investment in key infrastructure to support economic and social development;
- Striking an appropriate balance between the responsible use and protection of natural resources in support of a better quality of life and a better quality environment;
- Ensuring reliable, affordable and sustainable energy provision and reducing our carbon footprint;
- Ensuring the existence of a policy environment which supports the overall advancement of sustainable development in and beyond Government.

The BSO is committed to making a contribution to those areas which we can influence as we recognise that the current pressures on the planet's natural resources are not sustainable. As such, we realise that our Organisation has its role in the protection of these resources and we have implemented various methods in the achievement of our goals. The BSO has put in place

Environmental Management and Waste Management Policies setting out the Organisations' commitment to environmental issues and the responsible management and disposal of waste.

Sustainable development is about taking an all-inclusive view of actions, considering their environmental, social and economic consequences. Therefore, in everything we do we actively attempt to provide and review;

- how the BSO, particularly our Procurement and Logistics Service (PaLS), impacts on sustainable progress, socially, economically and environmentally;
- how the sustainability of the Health & Social Care Sector in Northern Ireland can be increased through its estate management, bringing:
 - cost savings;
 - better working environments;
 - better service to the public and colleagues;
 - reduced environmental impact.

The implementation of the Reform of Property Management (RPM) programme mentioned in more detail later will leave behind a significantly modernised office estate occupying a considerably smaller footprint. These interventions will ensure lower energy costs (per full time equivalent employee) and reduced carbon footprint. Through centralisation and better information management the approach to property management itself will be less wasteful reducing unplanned maintenance.

Social & Community Involvement



On Sunday 5th May 2019, FPS Staff completed the Belfast City Marathon. Well done to Martin Mayock, Alan Harbinson, Elaine Kane, Andrew Kerr, Peter Lavery, Information Unit who entered a team in the Belfast City Marathon Relay – raising almost £800 for Epilepsy Research UK.

CEC also competed in Belfast City Marathon, achieving a time of 4 hours and 30 minutes. They raised many for their charities and hope to continue the same success next year.



BSO PaLS, Ballymena, participated in an abseiling event at Belfast City Hospital in July 2019. The PaLS team raised a total of £3355.25 for Friends of the Cancer Centre, bringing their overall fundraising total to £11,699.61!



Richard Duddy, Pension Supervisor, HSC Pension Service, handing over the proceeds of recent fundraising events to two volunteers from the Foyle Search and Rescue (FSR) Team, Gerry and Jack.



This year, representatives from across the organisation attended career fairs with local universities and councils to promote BSO as an excellent workplace with many career opportunities. This allowed potential candidates to receive information about job and placement opportunities.



BSO made amazing efforts to support local charities last December. Services across the organisation have collected food and toiletry items for local foodbanks as well as other festive fundraising events to help those in need at this time of year. Some fundraising highlights include BSO HR's Christmas Jumper Day, Payroll Service Centre's Charity Giving Tree and PaLS contribution of Christmas Gift to

Karen Bailey

Chief Executive (Interim)

Date 25 June 2020

Section B

ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE REPORT

BSO Board

Chair

Ms Julie Erskine

Chief Executive

Mr Liam McIvor

Non-Executive Directors

Mr Robert Bannon

Mr Mark Campbell

Ms Patricia Gordon

Mr Sean McKeever

Mr Jeremy Stewart

Prof. Dorothy Whittington

Executive Directors

Mrs Karen Hargan, Director of Human Resources & Corporate Services (April 2019 - September 2019)

Ms Paula Smyth, Director of Human Resources & Corporate Services (Interim September 2019 – March 2020. Substantively appointed March 2020)

Mr Simon McGrattan, (Interim Director of Finance April 2019 - January 2020)

Ms Karen Bryson, Director of Finance (Appointed January 2020)

Mr Sam Waide, Director of Operations

Directors

Mrs Karen Bailey, Director of Customer Care & Performance

Mr Alphy Maginness, Chief Legal Advisor

Register of Interests

The BSO holds a Register of Directors' Interests which contains the declared interests of both Executive and Non-Executive Directors, including company directorships. This is available to view at:

Chair and Chief Executive's Office

Business Services Organisation

2 Franklin Street

BELFAST

BT2 8DQ (Telephone: 028 9536 3863)

BSO Board

Committees of the BSO Board

The BSO Board has established 3 Committees to assist in carrying out its duties, namely the Remuneration and Terms of Service Committee, the Governance and Audit Committee and the Business and Development Committee. Further details regarding the Committees can be found in the Governance Statement at the conclusion of this Accountability Report.

Audit and Assurance

The BSO's external auditor is the Northern Ireland Audit Office who have appointed PricewaterhouseCoopers LLP (PwC) to carry out the detailed audit work to support the Comptroller and Auditor General's opinion. The financial statements include a non-cash charge of £127k for the statutory audit of the 2019/20 Annual Accounts and preparation of a shared service report on BSO Information Technology and non-Information Technology controls.

All Directors have confirmed that, to the best of their knowledge:

- There is no relevant audit information of which the BSO's auditors are unaware;
- They have taken steps as Directors in order to make themselves aware of any relevant audit information and to ensure that auditors are aware of that information;
- The Chief Executive and relevant committees have confirmed that the BSO's auditors have been made aware of any relevant audit information.

A Governance Statement is included later in this Annual Report and is also available on request from the Director of Finance and on the BSO website (www.hsrbusiness.hscni.net).

DIRECTORS' REPORTS

Chief Executive

The Chief Executive is the Accounting Officer of the Business Services Organisation. Further detail on the range of responsibilities of the Chief Executive is set out in the Governance Statement later in this report.

In addition to the Organisation's Directors, a number of other Senior Officers report directly to the Chief Executive. These include:

- Head of the HSC Clinical Education Centre,
- Head of the HSC Leadership Centre,
- Encompass Programme Director, and
- Head of Shared Services.

Together with the Directors of the organisation, these Senior Officers attend meetings of the Senior Management Team on a monthly basis.

An overview of each of these services key achievements is included in the following sections.

HSC Clinical Education Centre

The HSC Clinical Education Centre (CEC) provides in-service education for Nurses, Midwives and Allied Health Professionals across all HSC Trusts in Northern Ireland. The CEC also provides education and training on a consultancy basis to voluntary and independent sector organisations.

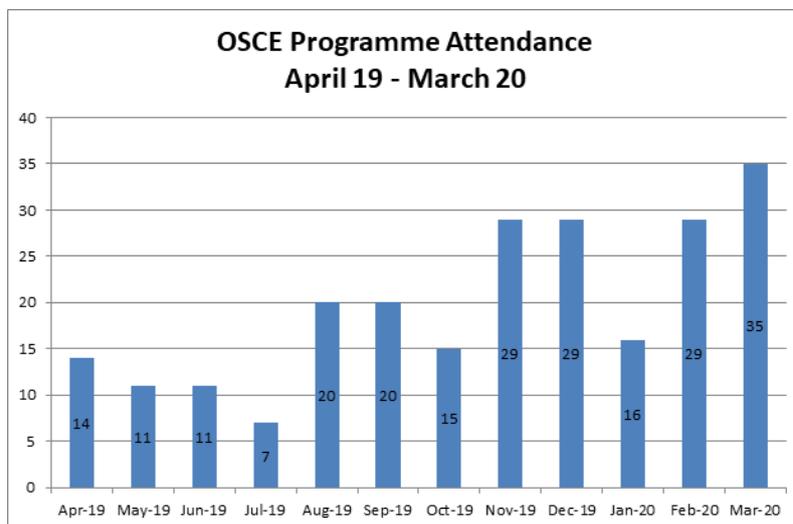
Key Developments and Achievements in 2019/20

The CEC continued to exceed their Service Level Agreements during 2019/20. Approximately 45,000 people attended a CEC programme during the year. Between 1 April 2019 and 1 March 2020 43,185 evaluation requests were sent to programme participants. From this the following was noted:



International Nursing

The CEC continue to support international nurse recruitment by delivering the International Nurse Induction Programme and the OSCE Preparation Programme. These programmes support the newly recruited International Nurses to meet NMC Registration requirements. As at February 2020, a 100% pass rate was achieved with numbers increasingly significantly. The programme has been externally reviewed and a number of recommendations made to help address the increasing numbers.

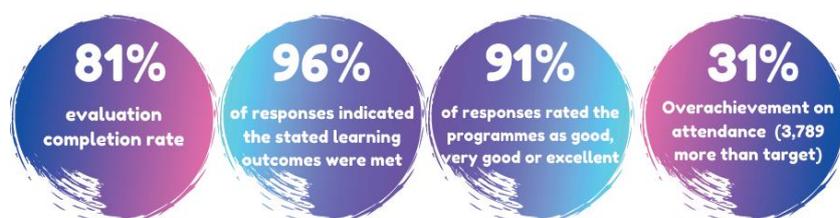


Transformation Project – Shared Decision Making

In 2019/20 the CEC continued to support the transformation agenda by working with a wide range of stakeholders across all sectors to co-produce a Shared Decision Making Framework. Three workshops were held across the region with up to 80 people attending each one. The Framework is in the final stages of completion before being delivered to the Department of Health (DoH) by the end of March 2020. It is hoped that the DoH will issue the Framework across all HSC sectors within Northern Ireland as a best practice guide.

Mental Capacity Act

The Clinical Education Centre (CEC) was commissioned by DoH to develop and deliver required training packages to support the implementation of the deprivation of liberty aspects of the Mental Capacity Act (Northern Ireland) 2016. Staff were seconded out of the five Trusts to assist the CEC in arranging and delivering four levels of training. Nearly 16,000 participants attended this training between September and December 2019. Below are some statistics in relation to this work:



Breakfast Seminars

CEC in collaboration with the Florence Nightingale Foundation NI have delivered two Breakfast Seminars. The first was Compassionate Leadership in a Challenging Workplace held on 6 June 2019 delivered by Judith Gillespie CBE. The second seminar on Compassionate Self-Care was delivered by Peter McBride on 9 October. A third on managing stress was planned for 31st March but had to be cancelled due to regional pressures.

Nursing and Midwifery Stakeholder Event

A Stakeholder event was held on the 20th September 2019 with over 80 participants. This includes CEC staff and representatives from a range of specialties in the 5 HSC Trusts. The aim of the event was to discuss Future Nurse Future Midwife and implications for CEC. The outputs were used to develop the Education Delivery Plan for 2020/21.

AHP Clinical Forum

An Allied Health Professions Regional Clinical forum has been established to provide an opportunity to discuss future AHP education and training requirements reflective of strategic direction and professional priorities and to reflect on existing AHP education and training facilitated by the Clinical Education Centre (CEC). The inaugural meeting with key AHP stakeholders took place on 27 January 2020 and it is proposed that the group will convene 3 times per year.

AHP PGCE Network and Celebration Event

Allied Health Professions (AHP) consist of eight different professional groups- Dietitians, Occupational Therapists, Paramedics, Orthoptists, Physiotherapists, Podiatrists, Radiographers and Speech & Language Therapists. Due to the broad range of professions represented, professional development education relies on external education consultants for each specialism. Over recent years increasing numbers of AHPs have been completing post graduate study in education. To celebrate this and scope the potential to engage this workforce in provision of AHP education, CEC hosted a celebration event on 20 November 2019. There was great enthusiasm and energy for future developments. It is hoped that a network of HSC AHP educators will be developed in the future.

Looking Ahead to 2020/21

Currently all CEC programmes have been stood down indefinitely to prepare for the COVID 19 Surge and this will continue until at least the end of May 2020.

CEC looks forward to developing a number of programmes for our newly developed Simulation Suite.

CEC will continue to develop its leadership potential by availing of secondment opportunities and supporting completion of Post Graduate Certificates in Education as well as continuous postgraduate development.

HSC Leadership Centre

The HSC Leadership Centre (formerly the Beeches) was established in 1993 to provide a range of management and organisational support to health and social care organisations. The Centre offers a range of innovative, high quality and cost effective products and services to HSC organisations divided into three product areas;

- Consultancy- bespoke support to meet client needs
- Brochure programmes- Leadership and management development and programmes
- Digital Consultancy – our consultant offer a wide range of programmes from basic IT skills through to the development of innovative IT solutions to support transformation change

Key Developments and Achievements in 2019/20

- The Leadership Centre successfully launched the HSC Collective Leadership Strategy in June 2019. This enhanced our way of thinking about leadership. A range of quality improvement days were held to highlight the message from this strategy 'Leadership is the responsibility of all'.
- This year saw the continuation of our "Lessons with Leaders" sessions in conjunction with the PSNI. Guest speakers included; Daryl McKinley from Tree of Knowledge, exploring methods to reduce stress and engage your mind. Gerry Duffy also led a popular session at the Crumlin Road Gaol, his session incorporated practical activities called 'The Effective Leadership Masterclass.' We rounded off the year with James Kerr, author of Legacy, speaking on leadership within teams.
- 2 New regional HR succession planning programmes were rolled out in partnership with HPMA NI.
- In May 2019 the Leadership Centre won at the Ulster University Excellence Awards for 'Public Sector Placement Partnership of the Year 2019'.
- As part of the Leadership Centres compassionate self-care, staff took part in an 8 week strength based yoga programme. This was known as 'Broga'. Staff funded this initiative themselves and it was so successful, the sessions have continued throughout the year.

- Virtual Health and Wellbeing Offerings: 'Take5 steps to leadership'. This is a webinar series which launched at the end of March 2020. This series of webinars has been designed to support staff with short 30 minute webinar sessions on key topics involving self-care and the importance of engaging with your team whilst working from home. The Centre has just launched series 4 of the webinars and, to date, over 1800 people have engaged in this way. This engagement strategy continues to be welcomed by staff during the current COVID 19 pandemic.
- In March 2020, the Leadership Centre launched our '20min Care and Support Space' sessions to all staff at all levels across the system. The purpose of this initiative is to provide a focused 20 minute safe space for staff in the system to be supported through a guided coaching conversation that was designed to be brief enough for staff to positively engage during the COVID 19 pandemic.

Looking ahead to 2020/21

- Collaboration with OD leads across the system to align our work with the needs of the workforce after emerging from the unprecedented pressures and impact of COVID 19.
- Conversion of programmes to a virtual format
- Development of a Talent Management Framework: Resource and consultancy product
- New coaching programmes/services - Resolution Coaching; Systemic Team Coaching; Coaching Supervision
- Review of participant course booking system
- New middle management development programme.
- Development of team-Based Working: product & consultancy; establish more on-line materials
- Developing a new programme: Leadership of Quality Improvement:

HSC Encompass Programme

Encompass is a HSC-wide programme, working to deliver the digitally enabled transformation of Health and Social Care in Northern Ireland. The encompass vision is for a digital care record for every citizen in Northern Ireland that better informs and supports their health and wellbeing throughout their life.

Encompass will work in partnership with the preferred supplier, EPIC and HSC to collaboratively design a digital record that streamlines services and patient journeys and links information across primary, secondary, community and social care. Important patient safety features like electronic prescribing will be incorporated in the new system as well as giving the public a choice of more modern ways to interact with services via their own portal.

Encompass is planning for the system to go live in Spring 2022, starting in the South Eastern HSC Trust before rolling out to Belfast and the remaining Trusts by early 2024.

Key Developments and Achievements in 2019/20

The focus of the past year has been on completing procurement and selection activities, continuing engagement across HSC and putting in place core resources and governance structures to support the programme of work going forward.

Key achievements include:

- In June 2019 the rigorous procurement process to select the right partner ended with Epic being selected as the preferred supplier and the Notification to Award Contract being issued. Epic are a global leader in the delivery of electronic health records with over 250 million patients having an electronic record in their solution worldwide.
- Following selection of the preferred supplier, work continued on the Full Business Case (FBC) and it was initially submitted to Department of Health at the end of July. A number of reviews have since been completed in conjunction with Department of Health, Department of Finance and other key stakeholders.
- Discussions have continued with the preferred supplier and the contract and contract schedules have been developed in preparation for Contract Award in June 2020.
- Throughout the year a number of recruitment exercises have been completed, with well over 500 candidates applying across a range of roles including Workflow Analysts,

Principal Trainers and Technical roles. As part of this large scale recruitment, Epic assessments and subsequent interviews for successful candidates were carried out during November, December, January and March and waiting lists have been compiled across a number of posts for offers to be issued on approval of FBC.

- In December 2019 permanent accommodation was sourced for the team in Clarendon Dock and establishment work has been carried out with a view to the team moving across in March/April 2020.
- Across the year, engagement activities have continued across HSC with over 500 events of varying size and scale held across Northern Ireland to enable staff to view the Epic solution, understand the processes that will be followed in relation to workflow development and standardisation and to keep staff up to date on recruitment activities and general programme progress.
- To support encompass through key stages of design and implementation a process has been put in place to identify key subject matter and operational readiness resource from across HSC. These resources will work alongside encompass, existing care and business support groups and networks and the encompass Care Executive to ensure that the solution developed meets the needs of HSC and service users.

Looking Forward to 2020/21

Throughout the coming year encompass will be building on the engagement and collaboration that has been carried out to date and will see the move into the next phases of programme activity which will include a full end-to-end discovery phase with HSC Subject Matter Experts which includes, Doctors, Nurses, AHPs, Pharmacists, Business Support. Encompass will also undertake some major procurements of the infrastructure needed to deliver the solution to end users, as well as several smaller procurements of third party software and devices.

Recruitment activities will continue with the team set to increase to nearly 190 members of staff by summer 2020. Following appointment, a significant exercise will be undertaken to train staff in the Epic software enabling work to commence on the build of the regional solution and creation of tailored training systems and processes.

Establishment of the encompass infrastructure will take place throughout 2020 in preparation for the system configuration phase, with the team working with key stakeholders and experts to ensure foundations are put in place to support encompass as it moves forward.

Shared Services

BSO Shared Services provides defined corporate services to all HSC organisations for:

- Accounts Payable (Payments Shared Services);
- Accounts Receivable (Income Shared Services);
- Payroll, Travel and Subsistence;
- Recruitment and Selection.

In addition to the above specialist shared services centres, BSO Shared Services also provides common system and data administration operations for the Finance Procurement and Logistics (FPL) and the HR Payroll Travel and Subsistence (HRPTS) systems.

A range of our key achievements are outlined in the following sections.

Business Services Team

Achievements in 2019/20

Systems Administration	Interface Management	Data Maintenance	Service Improvement	Solution Design
<ul style="list-style-type: none"> FPL & associated applications eRecruitment Regional Interpreting Services SharePoint Year End Co-ordination 	<ul style="list-style-type: none"> Payroll Interface JAC Interface Capita Interface Saffron Interface Scanning Interface 	<ul style="list-style-type: none"> FPL Supplier File HRPTS Master Coding FPL Master Coding Facilitation of regional groups 	<ul style="list-style-type: none"> HRPTS Functional Specialism FPL Functional Specialism Change Management Customer Reporting 	<ul style="list-style-type: none"> Smart Solutions Bot development RPA Innovation Automation

Activities Completed:
112,800+

BUSINESS SERVICES TEAM

2019/20 Achievements

Chat-Bot Development

Smart Solutions

Automation Development

Cost Savings

In our drive to deliver continuous improvement to services provided to our Health Trust partners, team BST developed a capability to build smart solutions based on efficient process optimisation underpinned by Automation technology using software packages which are readily available. This approach was successfully implemented across a number of automation of FPL Business as Usual (BAU) projects; for example, automation of Master Data Processing and Management. These Robotic Process Automations (RPAs) have increased efficiency, effectiveness and enhanced delivery of services within agreed SLAs.

Supporting the HSC recruitment, to ensure right resources are available on time, BST developed e-Recruitment Dashboard; an approach to assist HSCNI recruitment managers to monitor the progress and meet the governance compliance. This has benefited Trust to manage and expedite recruitment process.

Attract outstanding candidates and guarantee them with good support through this journey of recruitment, BST worked with BSO ITS for enhancement of the e-Recruitment jobs website

(<https://jobs.hscni.net/>). To provide further enrichment to the candidate support, BST developed Chat-BoT along with improved help and FAQ section to suit the different learning styles.

Delivery of Capital and Revenue system enhancement projects worth c.£300k to improve the system performance of HSC Finance & Procurement system and HR system.

BST is also responsible for number of business as usual (BAU) services to support Finance and HR users within HSC. Please refer to graphics for the details. c.112,800+ activities were completed in 2019/20 contributing towards to BAU activities.

Looking Ahead to 2020/21

Smart Solutions: These are the innovative bespoke solutions built to deliver transformational change without causing any adverse impact to business processes. Smart solutions are designed to provide;

- Improved efficiency and accuracy;
- Makes communication easy between different users at separate geographical locations;
- Eliminate manual intervention, if necessary;
- Facilitates the prioritisation of preventive actions;
- Alleviate user from mundane tasks and assist them with enhanced risk monitoring, control and quality assurance; and
- Supports the achievement of 100% compliance

Key priorities will include:

- Development of smart solutions for regional and Trust stakeholders to continue.
- Continue to develop capability within BSO to design and implement Bots across BAU activities within HSCNI to further increase efficiencies, in support of the BSO Process Improvement Strategy.
- To continue to work with Trust regional teams to prepare for the next BSTP transformation project along with the BAU.

Income Shared Services

Achievements in 2019/2020

- Achieved CICM Centre of Excellence Status (Chartered Institute of Credit Management). This recognition demonstrates to our key stakeholders that we have achieved and maintained exceptionally high standards in performance over a 4 year quality assessment period.
- Achieved Re-Accreditation on CICM Quality Assessment, demonstrating continuous improvement in the following areas:-
 1. Service Performance
 2. Customer Service
 3. Developing Our People
 4. Credit Policy
 5. Compliance
 6. Stakeholder Management
- Successful regional delivery and implementation of Capita V.11 which provides a safe and compliant platform for taking card payments and processing HSC income.
- Successful roll out, migration and implementation of Direct Debit functionality
- A continued downward trend in Days Sales Outstanding, demonstrating an ever faster recovery of public funds and creating a positive impact on HSC cash flow
- A 40% increase to 75% of all HSCNI Intercompany invoices processed using cloud coding
- Recovered £330m Debt which improves the HSC cash position.
- 90% of team professionally qualified in CICM Credit Management

Looking Ahead to 2020/21

Key priorities will include:

- Sustain and maintain CICM Quality Accreditation and Centre of Excellence status by successfully completing mid-way checkpoint
- Working in partnership with our customers on the implementation of AI/ Robotic solutions to add value and increase service efficiency, with particular focus in cash allocation.
- Working in partnership with NHS England & Wales on Cross Border to facilitate prompt approval and payment of HSCNI invoices.
- Successful implementation of Automated Touch-Tone 24/7 Payment Facility which provides consumers and businesses the opportunity to pay their HSCNI invoices outside normal working hours. In addition, this enables SSAR to focus on value added tasks such as dispute resolution.
- Successful implementation of Capita Recurring Payment enhancements which enables agreed repayment plans to be collected automatically. This enables SSAR staff to focus on value added tasks such as dispute resolution.
- Continue active involvement and contribution within CICM, NICS Debt Management Forum and the Shared Services UK Forum which are conducive for benchmarking, sharing best practice and learning and building networks of influence across public and private sectors.

Payments Shared Services

Achievements in 2019/20:

Development and roll out of a daily register report. The daily register report is a management information tool which is used by team leaders and team members to prioritise their daily workloads. Essentially it prioritised invoices ensuring that the most urgent are dealt with first. Priority 1 invoices must be dealt with at the start of each working day.

The creation of a BHSCT Nurse Bank Agency invoice Payment Team. This team was created after discussion and agreement between BSO APSS and BHSCT retained finance team. The motivation was the persistent difficulties facing BHSCT Nurse Bank team in dealing with their invoices. A range of priorities, staff retention, and lack of experience was impacting on the BHSCT's Nurse Bank's ability to process invoices accurately and in a timely manner. BHSCT agreed to resource BSO APSS to create a team to manage the invoice payment side of their Nurse Banks teams function.

The development and roll out of a centralised Knowledge Share. When invoices are presented to BSO APSS they need to be coded correctly and sent to the correct authoriser. The information required to complete these is contained on the Knowledge Shares. The format, accuracy and timeliness of the existing knowledge shares varied widely and in many cases were not fit for purpose. Creating a standardised KS that is held centrally and updated regularly ensures that invoices are coded and directed accurately.

The development and roll out of a centralised Authorisation Framework. The Authorisation Framework is a HSCNI wide file. The AF is used to ensure that BSO APSS can access accurate information that is in line with audit requirements. It enables BSO APSS to send invoices based on their value and location of the service to the correct person for approval.

A significant performance improvement for Interface Files. An interface is the transition of information from one system to another. In BSO APSS we have a number of main frame systems interfacing with e-financials. Interfaces take time to run, one type of interface (there are multiple submissions per month) was taking over 5 hours to complete. When processing an

interface the performance of e-financials is adversely impacted. The performance improvement has reduced the processing time of over 5 hours to less than 15 minutes.

As project lead tester we were a key stakeholder in delivering the DBBACS upgrade. DBBACS is the process that transitions all payments files prepared in e-financials to the banking system for payment. The banking system was upgrading DBBACS and consequently the systems being used by APSS to transition its payments file had to be suitably matched. APSS took a lead role in this helping other BSO users of DBBACS to upgrade their systems.

Increase the number of suppliers using Cloud Invoicing

Engaging with suppliers to deliver standardisation of the Cloud Invoicing process, improving accuracy and performance. Cloud invoicing is a new method of receiving invoices that allows APSS to automatically add additional information to the captured data sets. This additional information allows the invoice to transition to the approver's workbench. This additional information is contained in the Knowledge Share document mentioned earlier. In 2019/20 almost 400000 invoices were processed via Cloud. This is a significant volume of automation and has enabled APSS to continue to process ever increasing numbers of invoices without a corresponding increase in staff.

APSS actively engages with suppliers assisting them to transition to using Cloud and continues to work with on boarded suppliers to maintain and improve on the accuracy of the invoices that they submit.

Increased the number of customer organisation using FPM forms. An FPM form is the method used to transition the manual based offline payment requests to an online process. Payment requests that are online are accurate, timely and audit proofed.

Develop new standardised How to Guides including Region Codes. Region codes are the labels used to inform AP staff of the stage in the payment journey that an invoice has reached. Often the region codes indicate the reason for failure to progress to payment and AP staff need to understand what steps to take.

Development of a contingency payment plan to manage a Cyber Attack

Development and Implementation of a Duplicate payment checking process.

Purchase of IDEA software to deliver an improved duplicate payment detection process. APSS investigated the capacity of IDEA software and its capacity to enhance the duplicate payment checking process. This has led to an enhanced service; many additional duplicate checks are performed decreasing the likelihood of duplicate payments failing to be detected.

Development of an Accounts Payable SharePoint Site containing. Presently this is for APSS use only, however as the range of documents increases APSS will consider opening parts of this site to other areas of BSO.

- Daily Register reports
- Centralised Knowledge Share
- Centralised Authorisation Framework
- Banking on Line User Details
- Management Team Documents

Looking Ahead to 2020/21

Complete the BHSCT Nurse Bank Agency invoice Proof of Concept. This will test the viability of the concept. It will address the long standing issue of delayed invoice processing for nurse bank agency invoices.

Expand the Nurse Bank Agency invoice service offering. If the project is successful we could look at extending this service offering to other trusts.

Restructure APSS to include Band4's with supervisor responsibilities. There is a document on this; the much shortened version is that it will essentially address a supervisory gap, a career pathway gap and a staff retention issue

Improve on the 19/20 KPI performance - The key APSS KPI is the 30 day prompt payment, APSS aspires to achieve 95% compliance for this KPI, and currently it is 93.12%.

Redevelop the Prompt Payment KPI - APSS wishes to retain the current 30 day PP KPI, however there is an aspiration to include all documentation and to have two supplementary reports one for interfaced payments and one for non-interfaced payments.

Recruitment Shared Services

Achievements in 2019/20

- Despite HSC recruitment requirements continuing to represent approximately 21% of the workforce, and the lowest unemployment rate on record, performance has remained steady. For bespoke recruitment 81% of activity has been completed within KPI with an average time to fill of 52 days compared to a KPI of 70 days. In the area of waiting list activity we have seen a gradual increase in performance with 49% within KPI and an average time to fill of 38 days demonstrating an improvement of 3 days on the same time last year and against a KPI of 30 days.

- During 19/20 RSSC has implemented a number of service improvements which can be summarised as follows:
 - Launch of a 'Managers Dashboard' to improve visibility of the requisition management processing for managers;
 - Launch of an 'On line Reference Tool' which has greatly improved the return of references and improved the experience for the referee;
 - Launch of a revised Customer Model incorporating Team Leader Clinics to support building of customer relationships and early resolution of any issues arising.
 - Vision 2020 – by far the biggest project to date this has been developed with transition to this new way of working being commenced in later 2019/20.

- Collaborative working across the HSC through active involvement in the development and product outputs from the Regional Strategic Resourcing Innovation Forum (SRIF) which in year has included a focus on:
 - developing links with schools and colleges, HSC wide careers events
 - development of new approaches to recruitment and selection, particularly to include collaborative recruitment, digital marketing and 'clustered' recruitment;
 - development of a new 'chat bot' for candidate support at the point of application;

- strong stakeholder engagement to ensure that developments are created for and with our stakeholders
- Ongoing development of staff engagement through our Involvement & Participation Team (IPT) to feed into service improvements. An example of this staff engagement process is the introduction of our new Vision 2020 SharePoint site to replace paper files and manual processes. Staff were involved throughout the development, and testing, of this tool which is now being phased into operation.

Key Priorities / Actions for 2020/21

- Vision 2020 which is a new SharePoint site allowing RSSC to move to a full digital record and activity management will be a key focus to ensure this is fully implemented. This will include embedding and expansion of:
 - Use of new SharePoint as the working platform;
 - New Working Practices to eliminate paper and have all activities driven from the system;
 - Automation of processes, reporting and workload management where possible.
- Continued collaborative working with HSC organisations to consider a range of outputs from the 4 SRIF work streams specifically to include:
 - Further development of the attraction and retention of staff through a range of careers events; digital media; new advertising strategies and promotion of the key benefits of working in the HSC.
 - Development of Manager guides to support them during the Recruitment & Selection process
 - Identification of opportunities for collaborative recruitment whereby all HSC organisations can conduct recruitment, particularly of newly qualified students on a whole HSC basis. This will use the 'power' of the HSC to collectively attract high calibre applicants, ensure an improved candidate experience by using 1 selection process from which successful applicants can then select their preferred employer subject to availability of posts. This not only improves the applicant experience but importantly improves the patient / client experience through improved retention of new appointees.

- Enhancement of the Jobs.HSCNI website and tools available for candidates to improve their candidate experience.

Charity Events

- During 2019/20 a number of staff took a lead in organizing charitable events for all staff to participate in / contribute to. Together the team raised in the region of £10,000 through a range of events including:
 - A 365 'I have never' Challenge for Epilepsy Action;
 - A Charity walk and Corporate fundraiser for Friends of the Cancer Centre;
 - A Charity Football match for the Gillis Memory Centre;
 - Fundraiser for the NI Air Ambulance service;
 - Kids Mission Christmas.

Shared Services Payroll Service Centre (PSC)

Achievements in 2019/20:

- Introduction of monthly Pension Band Review methodology. All employees are now assessed for pension contribution rates every month, taking into considerations all new promotions, demotions, increments and salary sacrifices. This ensures employees pay the correct amount every month, instead of a yearly retrospective assessment.
- Delivery of the training platform (including e-learning) to support all aspects of the staff training and development plan following the training needs analysis which was carried out to inform our over-arching strategy.
- Implementation of the revised Customer Relationship Management (CRM) system which resulted in a reduction by circa 50% of incoming customer queries with a measured increase in customer satisfaction. We also have a 99.9% performance in relation to our response SLA target.
- Launch of the first stage self-service platform including *Understanding Your Payslip*. This app, which can be accessed via our web page, was created as a result of customer contacts about not understanding their payslip. We have received very positive feedback from both customer and our TUS colleagues in relation to this support tool.
- Improved governance and the control framework within PSC. This has resulted in a split opinion on our most recent audit review with a satisfactory opinion being given for all elementary aspects of PSC operations, leaving just a few areas of focus that will be addressed in our next audit cycle.
- Delivery of automated solutions for sickness adjustment calculations. This ensures that going forward the process is automated and centralized to avoid the risk of inaccurate adjustments.
- Delivery of the timesheet improvement project to address internal audit concerns regarding controls and processes. A new monthly timesheet has been rolled out together with an authorisation framework process. This tightens the controls around the process and increases compliance.

- Automation of Pension Banding Reviews to minimize the WTE resources required to complete the process.
- Standardised documentation of 80+ processes which helped us meet a key audit recommendation. This process documentation is critical to enable standardisation and consistency of service delivery and quality. These processes will also form the basis of all the training that will be delivered in the PSC.
- Delivered a range of change requests to improve system performance and customer service which included implementation of pay awards for staff, and a number of statutory/regulatory rate changes.

Looking Ahead to 2020/21

Key priorities will include:

- To achieve accredited status as a Payroll Centre of Excellence which will improve morale, reputation and increase customer confidence about PSC service delivery
- Timely implementation of system changes to ensure compliance with HSC terms and conditions and legislative requirements
- To introduce call record into the Payroll SC which will deliver a key tool to support staff training, the quality of service delivery and also dispute resolution.
- Streamlining and automation of overpayments calculation processes to ensure accuracy and efficiency.
- Define and measure SLA's and KPI's to ensure that we are meeting our service delivery commitments.
- Reporting improvements which will aim to deliver business information to support business improvement experience and customer experience.
- Drive operational efficiency and stability of the workforce to ensure the provision of consistent service standards to HSC customers in a cost effective manner.

Shared Services HSC Regional Interpreting Service

The Regional Interpreting Service (RIS) is managed and administered by the Business Services Organisation (BSO) to provide region-wide interpreting services to the Health and Social Care (HSC) Trusts, Integrated Care and other HSC providers in Northern Ireland. Providing trained, quality controlled Interpreters for Patients who do not speak English proficiently is central to:

- effective communication
- improving access to services
- reducing health inequalities
- achieving better health outcomes

Regional Interpreting Service - Key Achievements and Developments

- Reached 1 million requests in June 2019
- 132,434 requests processed during 2019/20
- 98.41% annual provision rate during 2019/20
- 2020 Interpreting Service Customer Survey: 227 responses - 97% of customers rated the overall service received as 'very good' or 'good'
- 15 new Interpreters registered in December 2019 to target priority languages including Bulgarian, Polish, Farsi, Romanian, Slovak, Turkish, Latvian, Urdu
- 17 Interpreters completed 'Pregnancy loss and the death of a baby: Sands Training for Interpreters' in September 2019
- 9 Interpreters completed NI Blood Transfusion Service 'Donor Selection Guidelines and Good manufacturing Practice training for Interpreters' in April 2019
- 14 Interpreters completed Belfast HSC Trust 'Speech and Language Therapy Refresher Training for Interpreters' in June 2019
- 243 Queens University Belfast School of Medicine 4th year medical students completed Working well with Interpreters Training
- Over 120 HSC Staff and Practitioners completed Working well with Interpreters Training (South Eastern HSC Trust and Southern HSC Trust Staff)
- 29 NI Approved Social Worker Training Programme Students completed Working well with Interpreters Training in February 2020

- 2019/2020 Top Languages: Polish, Arabic, Lithuanian, Romanian, Portuguese, Bulgarian, Tetum, Slovak, Mandarin and Cantonese

Looking Ahead to 2020/21

- Commencement of the Regional Communication Support Service for Deaf, Deaf/Blind and Hard of Hearing Service to offer consistency, standardisation, accessibility of service delivery and value for money.
- Further capacity building to ensure provision for key priority languages including Farsi, Amharic, Tigrinya and Tetum

Operations Directorate



Mr Sam Waide
Director of Operations

Key Achievements and Developments in 2019/20

The Operations Directorate has delivered another successful year, enhancing value and support to patients, service users and customers. With over 600 delivery staff and new services launched in 2019-20, our valued services have expanded considerably, and have made great progress on digital enablement. This section provides a Directorate summary, followed by individual service areas. Our service offerings include Procurement and Logistics Service (PaLS), Family Practitioner Services (FPS), Pensions Administration, Counter Fraud and Probity Services (CFPS) and the Small Business Research

Initiative (SBRI).

Firstly, I would like to formally thank our customers, in parallel with congratulating the Operations leadership team, management and staff in delivering more effective, higher value services. Notably, may I thank staff in their unwavering dedication and commitment through the unprecedented and ongoing COVID 19 circumstances. I would also like to recognise colleagues across BSO for working together effectively with our Directorate teams. Particular successes include:

- Continued confirmation of No 1 in the UK Public Sector for effective and efficient Pensions Administration, as benchmarked by Chartered Institute of Public Finance & Accounting (CIPFA) UK
- Procurement Public Sector Team of the Year accolade 2019, at the recent NI “Go” Awards
- BSO Value Award winners across a number of service teams
- Many service staff including Family Practitioner Services successfully completed ILM Level 5, with qualification in ILM Level 5 Coaching and Mentoring
- Continued charity monies being raised by Procurement, Pensions and FPS teams
- Successful completion of International MAGIC Project within SBRI, with solutions developed by the marketplace to assist patients who suffer from strokes.

All of this success has only been possible through effective collaboration, co-design and co-production of high quality, high value outcomes.

Looking Ahead to 2020/21

As we move into the 2020/21 financial year, the strategic priority for the Directorate is to navigate through COVID 19 challenges and EU Exit transition, whilst continuing our digital journey to enhance the quality and effectiveness of services. To facilitate this, we will continue to develop our staff, as a catalyst for BSO Process Improvement Strategy projects. Areas of particular focus across the Directorate, alongside delivery of services will include:

- Continuation of effective services transitioning out of COVID 19 and EU Exit
- Scoping of End to End Supply Chain service opportunities, post COVID 19
- Continued Workforce development to meet future needs
- Digital strategy for Family Practitioner Services, including full deployment of GP to GP electronic records and digital dashboards
- Enhanced pursuit of Innovation in the Supply Chain, including through SBRI
- Full deployment & embedding technology enabled Pension Service to NI Fire & Rescue Service.

The following paragraphs provide further details of Service achievements and look ahead.

Procurement & Logistics Service

Key Achievements and Developments in 2019/20

Looking back on the year past the phrase that springs to mind is “continuity of supply”. This presented itself in our continued preparations for EU Exit working closely with colleagues across the UK to ensure goods would be available in the event of a “hard exit” and towards the latter end of the year supporting colleagues across HSC in preparation for dealing with the Corona-virus or COVID 19 as it is known. However “continuity of supply” also extended to challenges in recruiting staff to certain locations and at certain levels, compounded by the retirement of key highly experienced members of staff. Despite the challenges presented in stretching the remaining resources PaLS has prevailed in delivering our business as usual services along with continuing our record of achievement and success.

Set out below are a selection of the key activities PaLS has undertaken:

- Successfully launching our Community Equipment and Continence Service (CECS) to Southern Trust which leaves only one Trust not availing of our shared CECS service
- Our pharmacy procurement team were national finalists in the Chartered Institute of Procurement and Supply “Supply Management” Awards. The team also won their category in the Northern Ireland GO Excellence In Public Procurement Awards 2020 held in March and will be finalists in the GO National Awards to be held later in the year.
- PaLS provided extensive support to a number of key ICT programmes aimed at replacing major systems contracts that underpin successful delivery of care.
- Our Social Care Procurement Team has supported development of a procurement plan for Social Care and development of a “Pseudo Dynamic Purchasing System” for procurement of elective care services.
- Working with senior ICT professionals our Compliance Team is helping to identify opportunities for streamlining contract activity, prevent duplication and align contracts in preparation for change programmes.
- PaLS EU Exit Steering Group made significant preparations to ensure continuity of supply in preparation for UKs exit from the European Union



Public Sector Procurement Team of the Year accolade 2020, at the NI GO Awards in March 2020.

Looking Ahead to 2020/21

Turning thoughts to the year ahead we anticipate that continuity of supply will continue to dominate as we work through the impact of the Coronavirus. Completion of a final modernisation project in our Belfast warehouse involving relocating offices and adding additional loading bays will begin to pay dividends in improving the workflows within the warehouse and helping us manage space more effectively.

However, probably the single biggest challenge for us will be in managing our way through changes in our procurement teams as we recover from retirement of key personnel and the inevitable disruption that brings. Attracting and retaining talented members of the PaLS team will always be a key critical objective for us no matter what the year though perhaps 2020/21 will be harder than most.

Family Practitioner Services (FPS)

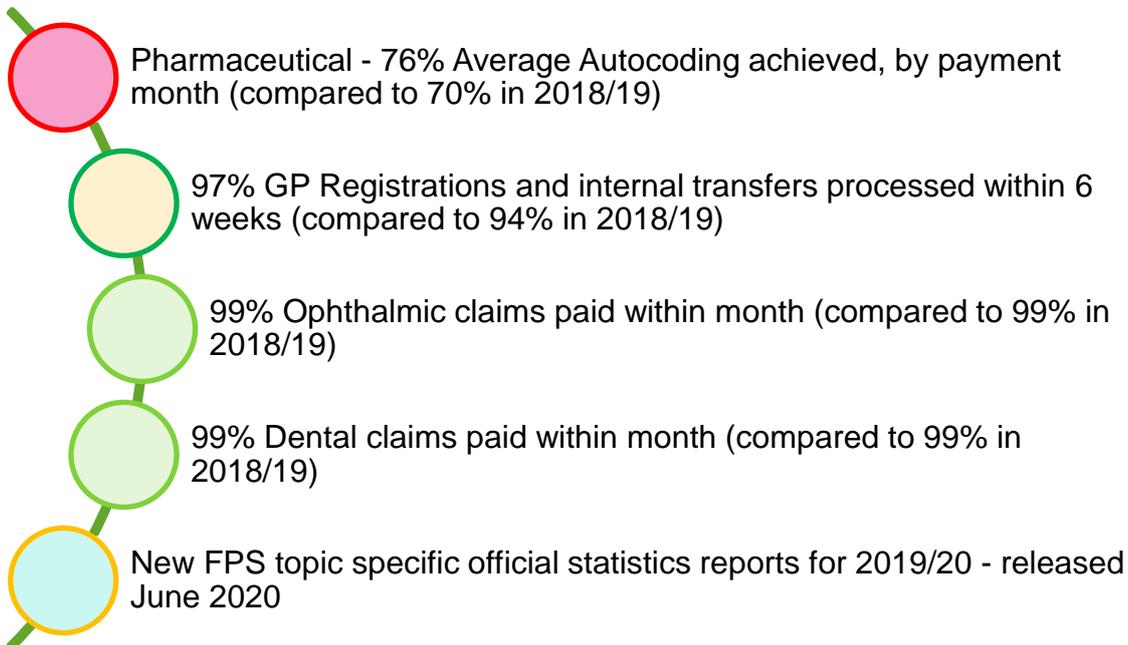
FPS provides services on behalf of the Health and Social Care Board (HSCB) to support General Medical Practitioners, General Dental Practitioners, Pharmacy Practitioners and Community Ophthalmic Practitioners, who deliver primary care services across Northern Ireland.

These services include payment, maintaining an up-to-date patient registration database, medical record transfers, professional support and an analysis, reporting and research function.

FPS also acts as a Centre of Expertise for accessing Health & Social Care in Northern Ireland.

FPS administers the call and re-call services for cervical cancer and bowel cancer screening on behalf of the Public Health Agency, and provides information to the HSCB and Department of Health (DoH).

Key Achievements and Key Performance Indicators (KPIs) in 2019/20:*



* *Figures in this table are sourced from management information and have not been separately audited*

Looking Ahead to 2020/21

- Support ongoing development for electronic transfer of prescriptions
- Support deployment of Clinical Communications Gateway to contractors
- Continue to promote FPPS Portals to Dentist and Pharmacy users through targeted workshops.
- Support deployment of the GP2GP Electronic Transfer of Medical Records Project
- Redevelop Ophthalmic Claim System (OCS) into FPPS
- Development of separate topic specific publications to cover Pharmaceutical, Dental, Ophthalmic and General Medical Services for 2019/20 business year.
- Exploration of further funding opportunities to extend the reach and profile of the HBS and its potential to inform evidence based decision-making.

Counter Fraud and Probity Services

Counter Fraud and Probity Services (CFPS) provide a range of specialist services to HSC bodies on behalf of the Department of Health.

Key Achievements in 2019/20

The CFPS team has delivered an effective service for the benefit of users and providers across Health and Social Care in Northern Ireland. Key Achievements for the year and forward plans are set out in the following paragraphs.

Counter Fraud Services

Counter Fraud Services (CFS) has experienced an increase in the level of engagement from HSC Trusts particularly in relation to advisory work and requests for proactive reviews which is a positive development for CFS and the HSC generally. CFS has also worked with clients to develop a Regional Fraud Awareness Strategy and has produced guidance to assist clients in their consideration of potential fraudulent activity.

A substantial number of the cases handled by CFS in this period have been complex cases with a significant monetary value and the potential to be of a high profile nature in due course. CFS has also been involved in cases which have involved a multi- jurisdictional approach.

CFS continued to provide training programmes for client organisations which have received a very positive response from attendees. CFS as part of the programme of activity for International Fraud Awareness Week also delivered a series of presentations to Senior Management Teams of many client organisations to highlight the importance of the role which senior management have in assessing the risk of fraud and working with CFS to mitigate those risks.

Engagement with CFS counterparts in England, Scotland and Wales continued. CFS also engaged with various internal and external bodies some examples include Department for Economy (NI), Charities Commission, Public Prosecution Service (PPS), and Department for Social Protection (DoSP), Republic of Ireland. CFS have also during this period developed a

link with the National Crime Agency in relation to developing additional methods for the detection of fraud.

During the year the investigation team dealt with 32 new investigations and 60 ongoing cases. A number of these investigations have been complex and required significant investigative resource. In this period the team secured 9 criminal sanctions and assisted in 6 disciplinary cases. Financial recoveries were secured in 7 cases. Criminal sanctions included Community Service Orders, Probation Orders and a Suspended Custodial Sentence.

Probity Services

The Probity Services Team has, once again, achieved the Service Level Agreement targets agreed with the HSCB. This year the team carried out post payment verification checks on over 480 Family Practitioner contractors. These checks included visits to GPs and ophthalmic practitioners and desktop reviews of dental and pharmaceutical contractors. During the year BSO Probity Services, along with colleagues from HSCB, have met with representatives of the British Dental Association to discuss the probity process. As a result of this, a number of changes are planned to improve the probity experience for dentists. In addition to the introduction of two new Enhanced Services last year, this year saw work commencing on a further two Enhanced Services within Ophthalmic Services. The team is estimated to recover in excess of £120k in the 2019/20 year.

During 2019/20 the Probity Team has continued to work closely with and support HSCB colleagues with regard to non-routine probity cases and those which have been referred to regulatory bodies/Disciplinary Committee.

Patient Exemptions

The Patient Exemptions Team carry out a range of random exemption checks on dental and ophthalmic charges claimed in Northern Ireland. The team has carried out checks on some 24,000 cases during the year, while also managing to maintain the significantly increased level of recoveries achieved during the previous year. Over £320k has been recovered in 2019/20, involving the processing of over 25,000 letters and 7,350 payments. This year has also seen

work being carried out on the automation of file transfers to the Business Services Authority with regard to Tax Credit checks. It is hoped that this change will be introduced early in 2020/21.

Healthy Start

The team continues to administer the Northern Ireland component of the National Healthy Start Scheme. This Scheme has made reimbursements of over £600k in relation to the supply of milk to children under five years of age.

Looking Ahead to 2020/21

Counter Fraud Services

It will be necessary in the next financial year to develop an intelligence function within the Counter Fraud Service to bring the service in line with our UK counterparts and thus ensure that we are using all available tools to discharge our statutory and legislative investigation duties to identify and investigate fraud and thereby ensure that public money is not being lost due to fraudulent activity. A project to develop this function has been commenced by two agency investigators with specialist intelligence experience.

CFS also intends to continue to develop the proactive review service and assist client organisations with assessment of risk projects in the new financial year.

Probity Services

Initial discussions are currently ongoing with HSCB colleagues with regard to carrying out a focused review of the claims submitted by mobile providers of General Ophthalmic Services. It is hoped that this verification work will commence during 2020/21.

Next year will also see the Probity Team work closely with colleagues in HSCB in reviewing and revising verification processes in light of the current COVID 19 pandemic.

Exemptions

A project is currently underway to introduce a new case management system for the work carried out in Exemptions. It is hoped that significant progress on this project will be made next year. The new system will hopefully see the introduction of an on-line payment facility for patients when paying their health charge.

HSC Pensions Service

The HSC Pension Service (HSCPS) for Northern Ireland provides payroll services to over 36,000 pensioners and administers the Pension Scheme for 95,000 current and deferred members drawn from HSC employees, GPs, dentists and employees of other approved organisations in Northern Ireland.

Key Achievements and Developments in 2019/20

During 2019/20, key metrics for HSCPS include:-

- Processed 465,265 accurate and timely payroll payments to HSC pensioners, which equated to 15,508 per WTE (Whole Time Equivalent) per member of staff.
- Provided 3879 pension estimates, and also processed 910 refunds and 404 transfers of benefits.
- Managed 336 referrals to Occupational Health Service for applications for ill health retirement.
- Successfully processed 1,300 General Practitioners Annual Certificates and 1,000 Dental Practitioners end of year calculations with corresponding Annual Allowance data and Annual Benefit Statement production, with subsequent processing of Scheme Pays facility for payments on behalf of our members to HMRC. Continued promotion of Member Self Service (MSS) for all Practitioners.
- Continued HSC Pension Scheme administration for, presently, 20 NI GP Federations, with approximately 350 members. Managed an automated call distribution system, handling approximately 41,000 calls per annum to assist members and pensioners so that queries are dealt with more efficiently.
- Managed the processing and payment of 1,796 new pensioners to the pension scheme.
- Managed Member Self-Serve (MSS) allowing members to access their pension information on-line with approx. 14,300 members registered
- Issued quarterly newsletters to GPs, GP Practice staff, employers, and members.

In conjunction with RCGPNI (Royal College of General Practitioners Northern Ireland) 3 workshops have been delivered to GP Practice Managers to assist them with administration of the HSC Pension Scheme(s).

Workshops have been delivered to new GP Locums to assist them with the administration of their submissions to HSC Pension Service to enable them to access and contribute to the HSC Pension Scheme(s).

The Trust Liaison Officer (TLO) Team continues to provide Scheme members with expert support and guidance on the rules and regulations of the HSC Pension Schemes. The Team also provides valuable support to Employers through a comprehensive communication strategy to ensure they are aware of the legislation and regulations governing the HSC Pension Scheme. Such support and assistance ensures Employers meet their statutory legal obligations in line with overarching pension legislation.

HSC Pension Service

For the year 2019/20, the TLO team has delivered:

- 126 Tailored Pension Scheme Workshops to 1,972 Scheme Members
- 592 individual pension consultations to Scheme Members
- Information stands at 6 Health and Wellbeing Fairs/Staff Engagement Sessions engaging with approximately 800 – 1,000 staff
- Ad-hoc training to Human Resources Teams on an employer's role and responsibilities in administering the HSC Pension Scheme
- In addition to Generic Scheme workshops, **14** specific sessions (July 19 – March 20) have been delivered to accommodate senior staff whose pension benefits accrued may be subject to additional HMRC Regulations (Annual Allowance). Following the session attendees had a chance to speak 1 – 1 with a member of the team regarding their own personal circumstances.
- Posters updating employers and employees of features of and changes to the Scheme.
- Technical Updates to all employers
- Upgrades to the website making it more user-friendly and responsive to individual searches including on-line calculators and other tools such as Instructional videos.

Annual Allowance Team

HSC Pension Service has created a team to deal specifically with Annual Allowance calculations, data provision and queries. The team which works closely with the TLO team is in place initially for a period of 18 months and commenced in October 2019.

To date the AA Team has:

- Calculated and processed 1,420 AA statements for members
- Administered 40 scheme pay elections on behalf of members to HMRC
- Dealt with approximately 1,000 member queries
- Provided 86 one to one Annual Allowance consultations

Payroll Pension Team

In May 2019 the BSO agreed to transfer resources from PSSC to HSCPS to deal with pay and service queries and pension related functions. 1 Band 5 Team Leader and 7 Band 3 Payroll Officers were recruited. The first members of staff took up post and commenced training on 1st May 2019 with a gradual increase in staff to full complement and a transfer of duties taking place on a monthly basis.

For the year 2019/20 the Payroll Pension Team have calculated and processed the pensionable pay figures for:

- 1210 Pension Benefit Applications
- 784 Estimate of Benefits Requests
- 120 Cash Equivalent Transfer Values
- 30 Death in Service Benefit Payments
- 700 Tapered Protection Transitional 1995/2015 Scheme Members
- 350 SharePoint queries

The Pension Board has the responsibility for assisting the scheme manager in securing compliance with all relevant pensions' law, regulations and directions as well as the relevant Pension Regulators codes of practice. This role is one of providing assurance in and governance of the scheme administration. The Pension Board has an equal number of employer and member representatives and is overseen by an independent chair.

HSCPS continues to participate in Inter-Judiciary Fora between England, Wales, Scotland and Isle of Man. We also have membership of the Northern Ireland Public Service Pension Group.

HSCPS is still one of the most cost effective Public Sector Pension Providers. Participation in the CIPFA benchmarking club again has again shown that the total cost per member continues to be well below average at £9.91 compared with £21.85 across other organisations.

Member Self Service (MSS) allows members to access to their pension information online. During the year we make the Annual Benefit Statement available through the portal.

HSC Pension Service

Looking Ahead to 2020/21

HSCPS continues to expand services, and signed a new Service Level Agreement with Northern Ireland Fire and Rescue Service to provide pension services for their Scheme members. Our software systems and websites are currently being updated to reflect these new arrangements and will include technology and process enhancements.

The Trust Liaison Team will deliver over 100 Tailored Pension Scheme workshops to employer organisations and their staff; over 50 classes in the navigation of the MSS Portal and over 80 days for the provision of one to one consultations for scheme members. HSCPS staff will continue to deliver bespoke workshops to specific groups as the need arises, such as GP locums and practices.

Small Business Research Initiative

Small Business Research Initiative (SBRI), also known as Pre-Commercial Procurement (PCP), is a programme designed to promote innovation and development of technologies to help address some of our service issues within the wider Health and Social Care sector in Northern Ireland. SBRI is a phased research and development programme; typically Phase 1 being the creation of a working prototype and Phase 2 enabling field trial testing within the HSC Trust environment.

Key Achievements in 2019/20

SBRI health reached its fifth anniversary in the HSC during the year. It certainly was the most successful year to date with the programme more than doubling in size and seeing new investment in a broader more dynamic range of health innovation projects. Technologies included improving care for patients with persistent pain and also for young people with serious mental health issues to be cared for more rapidly. Other initiatives included were for the rehabilitation of patients' speech and physical health post stroke and medicines to be managed more safely by care workers for the benefit of patients in their own home.

This year saw unprecedented numbers of healthcare professionals involved in the programme, directly influencing technology development to ensure that patients receive the best care possible.

BSO has continued to lead an international project, MAGIC, and innovative technologies are currently being trialled in Northern Ireland and Italy by post stroke patients. This project came to a close in March 2020 after 5 years of successes. BSO also secured £1.25m through the prestigious GovTech SBRI award and commenced a project on prescribing pathways in prison health. This project includes clinicians from the South Eastern and Belfast Trusts, PSNI, Courts Service, Prisons and Transport to ensure the best and most timely medicines management during the committal process.

BSO also coordinated Belfast's participation in a UK Space Agency funded Urban and Healthy Living project which enabled, for the first time, very detailed air quality data to be geospatially

mapped. It is hoped that this project will be the forerunner to a bigger dynamic study to improve air quality in Belfast in the future.

To date BSO has undertaken eleven SBRI/ PCP projects. More information is available on all of the different projects at: <http://www.hscbusiness.hscni.net/services/2893.htm>

Looking Ahead to 2020/21

The current projects will continue with planning underway to support new SBRI projects and explore new funding streams.

Customer Care and Performance Directorate



Mrs Karen Bailey

Director of Customer Care and
Performance

The Customer Care and Performance Directorate drives improved performance and adds value for our customers as well as having a number of operational services. There is a small Customer Care and Performance team which delivers a corporate service across the BSO and facilitates the negotiation of contracts between internal directorates and external customers as well as managing the various partnership and engagement arrangements put in place to liaise with customers. The department has corporate responsibility across a number of key areas including Corporate and Business Planning, Performance Management and Reporting, Risk Management and Governance.

In addition to corporate customer care and performance responsibilities, the Directorate also comprises Information Technology Services, the Office of Research Ethics Committees NI, the Equality and Human Rights Service and the Honest Broker Service.

Customer Care and Performance

The primary role of the Customer Care & Performance Team (CCP) is to support the organisation in delivering added value to its internal and external customers. The department currently operates with a small team delivering support across the organisation and to our customers.

The BSO has grown from approximately 900 staff across 14 service areas in 2009 to more than 1400 staff across 21 service areas in 2020 with plans to grow extensively, in particular across ITS related functions. Our customer base has also grown to deliver to 17 different organisations within the Health and Social Care System and beyond with recently agreed proposals to deliver services to NHS Wales. This growth continues to be supported by the CCP team.

This department delivers a corporate service across the BSO and facilitates the negotiation of contracts between internal directorates and external customers as well as managing the various partnership and engagement arrangements put in place to liaise with customers. The department has corporate responsibility across a number of key areas set out below.

The key areas of work delivered by the Customer Care & Performance Team during 2019/20 fall within 4 broad areas:

Planning & Performance - co-ordination, performance monitoring and development of a range of corporate and customer activity:

- Co-ordination and reporting on opportunities for Growth & Development of the Service Level Agreements with existing and new customers
- Organisation, design and outworking of the Annual Senior Business Planning Day
- Development and Quarterly reporting of the Annual Business Plan
- Monthly reporting to the Board on performance against corporate indicators
- Development and publication of the Annual Report in partnership with Finance

Each of these areas require a co-ordination and advisory role across 21 service areas, 17 customer organisations, liaison with the Department of Health Sponsor Branch, analysing returns, prioritising key issues and drafting reports.

Governance & Risk –development, monitoring and reporting a range of activity associated with the BSO Governance & Assurance Framework:

- Liaison with the Department of Health and support to the Chief Executive for Ground Clearing meetings and Accountability reviews
- Development, management, support and challenge function across relevant service areas in respect of the Corporate Risk Register and across 17 service areas in respect of the Service Risk Registers
- Preparation, facilitation and outworking of the Annual Board Risk Workshop
- Delivery of Risk Management Training to all relevant BSO staff
- Co-ordination and management of the Board Governance Self-Assessment

This function supports all directorates across BSO in terms of risk, assurance and governance issues.

Quality - facilitation and reporting of Corporate Quality initiatives:

- Monitoring of Service Level Agreements to ensure that customer agreed quality standards are consistently met
- Development and publication of the Annual Quality Report
- Co-ordination of a rolling programme of benchmarking activity and analysis and presentation to customers/SMT/Board of the Annual benchmarking report

Customer Relations – development, monitoring and performance reporting of Service Level Agreements with BSO customer organisations. This function also includes a range of other customer facing activities:

- All services for customers and clients are covered by a Service Level Agreement (SLA) which is monitored and reported on through monthly monitoring arrangements. SLAs are reviewed and issued by the CCP team annually.
- Co-ordination and delivery of the Board approved Customer Relationship Strategy and Action Plan including the management and co-ordination of a range of partnership forums for smaller agency customers, ongoing liaison with these customers and the development and completion of customer satisfaction surveys.
- Performance scorecards are produced on a monthly basis for services and customers to demonstrate performance against the agreed Key Performance Indicators.

- Customer satisfaction is measured and monitored through regular engagement through the ALB Forum and through Customer Surveys.

Communications

- Production, design and publication of the monthly 'Business Matters' newsletter.
- Management of the BSO Corporate Social Media accounts.
- Supporting the development of a Corporate Communications Strategy.
- Delivery of the Corporate Communications Strategy through the actions set out in the Communications Plan and reporting of same to the Communications Strategy Group.
- Development and management of all associated policy documents governing communications and engagement activity.

Looking ahead to 2020/21

- A new Corporate Plan will be developed during 2020/21 which will include a review of the reporting mechanisms and key performance indicators. A challenge function will be carried out by CCP to highlight performance issues identified through the scorecards.
- A review on how we manage performance was conducted in 2019/20. The outcome of this review was a plan to move performance reporting to SharePoint, with each service area providing performance figures via SharePoint InfoPath forms. The plan is to implement this change later in 2020.
- A comprehensive review of the BSO Corporate Governance Framework will be undertaken which may result in changes to our current approach.
- A new Partnership Agreement is being prepared to replace the Management Statement and Financial Memorandum (MSFM) which includes significant changes to the current approach.
- A comprehensive review to re-purpose the SLAs will continue throughout 2020/21 to ensure all services delivered are costed, delivery is closely monitored and managed and customer expectations are delivered.
- A full review of customer surveys will be taken forward with a consultation and engagement plan to form part of the new customer strategy. A programme of engagement and communications activity will be put in place to build on customer confidence and satisfaction.

Equality Unit

Key Achievements and Developments during 2019/20

During the year, we facilitated the Health and Social Care Board and the Public Health Agency in updating their **Equality and Disability Action Plans** for 2020/22. This involved engaging with staff across each Directorate in both organisations to support the review and development of actions relating to the specific functions of the two organisations, in addition to employment-related measures.

For some years now, we have heard from past participants of our Disability Work Placement Scheme that they face significant barriers when trying to avail of the services of **recruitment agencies**. During 2019/20, we worked with our colleagues in the BSO Procurement and Logistics Service to explore what we can do to ensure that agencies address these barriers and better promote equality in the services we procure from them. In a first step, we included a number of aspects relating to equality practices in an audit with a sample of agencies during 2019. The outcome of the audit will help inform service specifications for future tenders and contracts.

Looking Ahead to 2020/21

A key priority in the coming year will be undertaking the **Five Year Review of Equality Scheme** in the BSO and nine of our client organisations across the HSC. This will provide an opportunity to take stock what we have achieved in relation to promoting equality and good relations and what we can learn from our work over the past five years. This will allow us to build on good practice and focus on the challenges that remain.

A second priority will be **staff who are carers**. We want to promote more actively the existing policies and support available to meet their needs.

In relation to **recruitment agencies**, our next step will be to work with our procurement colleagues to seek to improve the collection of equality monitoring data by agencies. This will allow us to examine which equality groupings might be under-represented amongst those placed with us through agencies and how any imbalances can be addressed.

The Office for Research Ethics Committees (ORECNI)

In the financial year 2019/20, the service included a number of initiatives and introduction of joint working processes across a number of areas/disciplines. Two of the service improvements are highlighted below.

Service Improvements:

Adults lacking Capacity – involvement in research in Northern Ireland

The Head of the ORECNI, Dr Siobhan McGrath has modified interim guidance to comply with the commencement of the Mental Capacity Act (NI) 2016 on 1st October 2019 for the purpose of research. That meant that any research involving people over 16 who lack capacity to consent to the research and where the research meets the criteria under the Act had to be compliant with this Act in Northern Ireland. This is a positive step for research. Guidance and training was produced and involved working closely with Policy Leads in DoH, the PHA R & D Division and the BSO Department of Legal Services. Training was delivered on the subject to the HSC REC members, HSC R and D managers and PHA R & D Programme Managers on 5th February 2020. Work will be ongoing into the new financial year to modify existing UK wide process instructions and guidance for review of research involving Adults Lacking Capacity, where research participants from Northern Ireland are involved in research studies.

Approval of Clinical Trials of Medicinal Products –Combined Ways of Working Pilot

The HSC RECs and the staff at ORECNI have continued to be involved in a UK wide service improvement initiative to prepare for the revised EU Clinical Trials Regulation. The novel aspect of this project was to work with other stakeholders in the regulatory process such as NHS/HSC Research and Development management, and the Medicine and Healthcare Products Regulatory Agency (MHRA) to reduce duplication, contradictions and confusion for our shared customers and the research applicants. It is expected that this will make Northern Ireland and the rest of the UK a good place to continue to do research after EU Exit.

Being active participants in this national project has ensured that both staff and committee members at the ORECNI are prepared for changes to the ethical review processes. The ORECNI service has been able to directly contribute to new working instructions and to

participate in UK led project meetings, involving other UK REC staff. Customer feedback has advised that the new process is good and efficient in terms of getting decisions from the regulatory authority, MHRA and the REC at same time.

Annual Training

On 5th February 2020 a training event was organised by the ORECNI. Its primary aim was to provide annual training to the HSC REC members. The Chair of the BSO Board, Mrs Julie Erskine gave a welcome address to all and thanked the ORECNI staff and HSC REC members, and in particular the Chairing Teams for their hard work. She also welcomed Dr Hugh Davies from the Health Research Authority (England) and Tomas Adell (Head of Mental Health and Capacity Unit, DoH , Northern Ireland) (Facilitators). Managers with responsibility for Research and Development within the Public Health Agency (PHA) and the HSC Trusts also attended for part of the day. The following areas were covered:

- **An exchange of knowledge and sharing critical debate on current ethical challenges and opportunities in health and social care research.**
- **How the Mental Capacity Act (NI) 2016 and pertinent Code of Practice impacts research studies.**
- **Explored new approaches: REC Meeting structure and capturing minutes in the National Combined Way of Working (CWOW) CTIMP applications.**

The day was well attended, evaluated very positively by attendees and leaves the service well informed for the future.

Looking Ahead to 2020/21

The challenges will include:

- **Managing expedited emergency ethical review for research studies tackling the treatment and care of patients with COVID 19 due to the pandemic.**

- Continuing participation in the UK national pilot to prepare for the revised EU Clinical Trials Regulation or its UK Equivalent.
- Continuing to achieve a fast ethical turnaround on all studies without compromising the quality of the ethical review.
- Continuing to streamline processes for ethical review of studies involving adults lacking capacity.

At the annual HSC Research Ethics Training Day, Mossley Mill, Newtownabbey, 5th February 2020



Photo 1: (From Left to Right) Mrs Julie Erskine (Chair of the BSO Board); Tomas Adell (DoH) and Dr Anne Moorhead (Vice-Chair of Health and Social Care Research Ethics Committee B)



Photo 2: (From Left to Right) Discussion Panel: Dr Hugh Davies (HRA); Dr Alastair Walker (Chair of Health and Social Care Research Ethics Committee A (HSC REC A)); Professor Patrick Murphy (Chair of HSC REC B)

Information Technology Services

Business Services Organisation, Information Technology Services (BSO ITS) is responsible for the provision of a wide range of ICT services, programmes and projects across all Health and Social Care (HSC) Bodies and the Northern Ireland Fire and Rescue Service. It is about to begin delivery of a managed service for the Family Practitioner system to NHS Wales.

ITS Services portfolio ranges from operational support of large complex clinical, business and social care IT services to the delivery of large projects / programmes including procurement and implementation of new regional enterprise IT solutions which support the transformation of Health and Social Care in Northern Ireland.

ITS supports in excess of 50,000 users across nearly 300 systems and is responsible for annual ICT expenditure circa £40m and is responsible for the current delivery of 71 regional technology led programmes / projects.

Achievements during 2019-20 include:

NIECR Diabetes Pathway

In October 2019, the BSO in partnership with the South Eastern Health and Social Care Trust and Orion Health won the 'Best Connecting Healthcare Project of the Year' award at the Health Tech awards ceremony. The award was presented for successfully implementing an integrated electronic diabetes pathway for paediatric and adult patients providing a single diabetic record for both these groups. The diabetes pathway also received further recognition at the Health Service Journal (HSJ) awards in November 2019 where it was shortlisted for both the 'Driving efficiency through technology' and 'Connecting Services and Information' awards.

NIECR Programme

The NIECR Programme/business case was completed on the 31st March 2020. An independent post project evaluation confirmed that the programme has been successful, delivering the expected benefits to both patients and clinicians.

The active usage of NIECR has grown significantly since its initiation in 2013. Currently there are over 26,000 active users, with over 800,000 individual logins on a monthly basis, which is expected to continue to grow for the foreseeable future.

In addition the recent introduction of a ground breaking national patient pilot portal 'My Care Record' has enabled citizens to better manage their own health and wellbeing and interact with health care professionals.

HSC Cyber Security Programme

In March 2020 the HSC Cyber Security Programme launched its shared Cyber Security Incident Response Action. This was the culmination of months of collaborative working over several months between HSC organisations, ICT services and SIROs. The action plan contains a protocol to be followed by collective HSC organisations in the event of a Cyber Security related incident and has already been used on a number of occasions.

Future Change Programmes

An incredibly busy period of significant progress for the programme pipeline was experienced over the previous 12 months. These programmes deliver over multiple years, and will introduce significant improvements to service across HSC. Notable progress includes:

- Digital identity Service – A business case of £38m was approved to enable the replacement and modernization of a range of core technology services, including the provision of the Health and Care Number (HCN) which is the primary identifier which ties together events within the patient care record across all HSC organisations and services. This programme is currently in the procurement phase.
- NIPACS+ - A business case with a value of £122m was approved to replace, expand and modernize the hugely successful NIPACS Regional Imaging Service. This includes incorporating the RVH and BCH imaging services into the new service, as well as additional specialties such as Cardiology. This programme is currently in the procurement phase.
- NIPIMS – A business case with a value of £44m was approved to create a single regional Pathology System, replacing a range of legacy systems. This new system is a key enabler for the wider transformation of Pathology Services, which impacts 95% of patient pathways within HSC. This programme is currently within the procurement phase.

- GP Modernisation – The first two projects of this programme to enable significant modernisation of the Information Systems supporting GP services have been approved, with value of £4.5m. These deliver improvements to the stability, service response times and cyber security of the information systems used by GPs, as well as transforming patient record transfer between GP practices.

Work continues on the future pipeline, including exciting work to introduce regional Blood Tracking & Tracing, further regional Digital Shared Services, additional Digital Pathology services, Electronic prescribing and an increased range of services for Community Pharmacy.

Other Achievements

New Systems Development

In February 2020, BSO ITS New Systems development team in co-operation with WHSCT successfully delivered a new Regional Doctors Appraisal and Revalidation system for use by HSC Trusts and other HSC organisations that have responsibility for clinical staff revalidation.

The new system provides a secure repository for appraisal including supporting documentation and the completed appraisal forms. Previously, doctors primarily kept paper based folders to support the appraisal process, but not all had robust filing, security or storage arrangements.

The new system provides a 'live' view of the appraisal and revalidation information, which is important when monitoring and managing progress, but also identifying doctors who are having difficulties in completing the process and where additional support can be focused. Access levels within the system ensure appropriate controls over access to sensitive appraisal related data.

The system has had a very positive reception and there are now over 2,500 registered users.

Business Systems

The FPL and HRPTS teams successfully upgraded the DB Bacs payment system to ensure continuation of payments to all areas of HSC and third party suppliers following a mandate by UK wide banking authorities.

The legacy INFRA Service management toolset has been successfully replaced with vFire for BSO and other HSC trusts.

The Capita and JDA systems that are integral to the FPL suite of applications were upgraded to allow continued use of these applications.

1. **GMS**

- On-going support to 325 GP practices, including the replacement or upgrade of 5,562 desktop PCs, 620 laptops and 219 “auto-arrivals”. Replacement of 1,341 printers and 370 scanners.
- Management and rollout of IT equipment and services in support of DoH’s Multi-Disciplinary Team transformational initiative. (142 desktop PCs, 32 laptops and 126 printers).
- Continued support to 32 practices in the Photo Dermatology Pilot sending lesion images to secondary care.
- Upgrading of the GMS estate from Windows 7 to Windows 10.
- Management of the systems related activity associated with the opening, merging, closing and migration of practices.
- Support to the design and implementation of solutions to meet the ICT needs of Federations and the “Homeless Hub”.
- Extending the use of CCG by enabling:
 - GPs to send electronic referrals to Leisure Centres (in support of the PARS “Exercise Referral” project), to “specialist” GPs working for federations, and to an ever increasing range of secondary care specialisms.
 - Dentists to send electronic referrals to secondary care.

2. **Child Health**

- Enhancement of the Immunisation Programme to facilitate the introduction of the new Pneumococcal and HPV programmes.
- Design and development of functionality to support the “Early **Intervention** Transformation Programme” and for the “Health for Looked after Children” pilot.
- Increased the number of tests in “New-born Bloodspot Screening” from 6 tests to 9.
- Creation of standardised management and operational reports

3. Community and Social Care

- Introduction of new UNOCINI “Adoption Pathway” and software for UNOCINI “Leaving and Aftercare”.
- Engagement with the UNOCINI Review Group to review and rework the UNOCINI forms and processes.
- Development of new FIM-FAM reports for use by PHA
- Production of “hours worked” data for Homecare Workers in NHSCT required for the Pay Award in March

Northern Ireland Picture Archiving and Communication System (NIPACS)

NIPACS continues to deliver services to meet clinical demand throughout the region, crossing organisational boundaries allowing the seamless viewing of radiological images and reports irrespective of the imaging location. Some of the key areas delivered this year alongside a technical refresh programme are Dosetrack, MDT and Peer Review.

The Sectra VNA facilitates the storage of medical photography imaging providing an integrated examination history from initial diagnosis to follow-up after treatment. Image Central, the product that facilitates the upload of pictures/videos to NIPACS, has been transitioned from pilot to live in a number of new specialties throughout the region e.g., trauma & orthopaedics, orthodontic, podiatry and dermatology. As a response to COVID 19 we have implemented Image Central to facilitate patients sending pictures to the Trusts for upload to NIPACS which negates the need to attend a hospital site. This has been welcomed as a great success by the clinicians involved and we have received numerous requests from other specialties across the region enquiring about this functionality. NIPACS will continue to introduce additional specialties to Image Central throughout 20/21.

General ITS services

- BSO ITS have achieved the target set for the percentage of ITS Incidents Resolved (SLA Target 90% / SDP Target 95%) each month in 2019/2020
- The Portfolio Office (PMO) in ITS continues to support all ITS services in the delivery of BAU and Project/Programmes through:
 - Management of a Budget Portfolio across multiple funding sources circa £40m.

- The processing of 1702 invoices and 431 purchase orders, an increase of 53% and 15% on 18/19 financial year.
- Recruitment of 83 staff.
- Managing/renewing and developing contracts to the total value of £119m an increase of £17m in the last 6 months of the 19/20 financial year.
- Achieved contract savings of £802,874.
- Managing the PC Refresh project through procuring and deploying 16,731 pieces of equipment, e.g. Desktops, laptops, screens.
- Managing the £8.5m contract with Capita for PC procurement – spend to date £5,643,793.27 (including COVID 19 laptop deployment)
- Business case development.
- Benefits identification and management
- Risk Management
- BAU and Programme performance reporting to BSO corporate, HSCB and DoH.
- Development of the Cora PPM system.
- Managed ITS year's training spend which amounted to £99,337.85.
- Organised training for 93 staff using various training methods, such as Class room based eLearning, and Webinars.
- Retention of the ISO 20000 standard for IT Service Management.

COVID-19 Response

BSO ITS have been engaged with various organisations to respond to the COVID-19 pandemic. As part of this engagement BSO ITS completed in short time frames a large scale deployment of laptops, mobile phones, firewalls and remote access accounts, to mobilise over 2000 additional staff across the region. BSO ITS have also been heavily involved in

- Enabling the COVID testing response within Northern Ireland,
- The Emergency Operations Centre
- Expansions of clinical systems and movement of data for analytics such as
 - ECR
 - Labs
 - NIPACS

- Worked with the Independent Health Care Sector to mobilise their support for the COVID-19 response.

Looking ahead for 2020/21:

1. Continuation of the Digital Health Commissioning Plan for HSC
2. Proceed with Phase 2 of the HSC Cyber Security Programme
3. Continue to progress the HSC Digital Shared Services Programme
4. Establish a Digital Vision for BSO
5. Establish the Digital Workplace Programme
6. Upgrade of the Cora PPM system
7. Digital Identity Service (DIS);
8. New Northern Ireland Pathology Information Management System (NIPIMS); and
9. New Northern Ireland Picture Archiving and Communication System (NIPACS+).
10. E- pharmacy project
11. GP Modernisation Programme
12. Cora PPM Platform project
13. GPIIP
14. Patient Portal

Honest Broker Service

The Honest Broker Service (HBS) was established as a function within BSO in June 2014. The mission of the HBS is to facilitate access for approved researchers, health planners and policy makers to anonymised and pseudonymised Northern Ireland Health and Social Care (HSC) data and to assist in the analysis of such data as required.

The aims of the HBS are to:

- Facilitate approved research that may contribute to the promotion, protection and maintenance of the health of the public;
- Facilitate the planning, evaluation and delivery of health services;
- Support activities related to the above aims across the full spectrum of health;
- Contribute to knowledge regarding research methods relating to health data collection, linkage of health-related data and compilation and use of health related statistics generally; and
- Following appropriate governance, permit the outcomes of activities related to the above aims to be available for the benefit of the public and to contribute to knowledge on an open and equitable basis.

The HBS is managed jointly by the heads of the Regional Data Warehouse and the Information and Registration Unit within BSO who report on its performance to the Director of Customer Care and Performance. There are four members of staff who work within HBS; 3 statisticians on secondment from the Northern Ireland Statistics and Research Agency (one full-time, and two part-time) and an ICT specialist. A number of other staff across BSO also contribute to the service alongside their normal duties.

The HSC Regional Data Warehouse (RDW) is a large, secure data store which receives regular data extracts from a range of key HSC Information Systems. It is managed by BSO and hosted within the HSC Regional datacentres. It ensures that authorised users have secure access to timely, robust and accurate management information, while complying with the requirements of

the Data Protection Act (DPA). It enables sophisticated analysis of stored de-identified data using a Business Intelligence toolset and a Management Information Portal. HSC organisations have access to their own data collected for direct patient care, with any other organisation (for example the Health and Social Care Board or DoH) only granted access through Data Access Agreements or through HBS.

HBS enables secure access to linked de-identified Warehouse data for HSC purposes, including Business Intelligence and management reporting facilities, and for approved HSC related research. HBS is now the preferred method of granting organisations access to data. All HBS processes are in line with Data Protection and confidentiality requirements, and with the Information Commissioner's Office (ICO) Codes of Practice.

Key Achievements and Developments in 2019/20

Non-research projects have supported the DoH, PHA and HSC Trusts in performance management, service evaluation and clinical audits in areas as diverse as Health & Social care inequalities, Antimicrobial use and resistance, Stroke services, and the incidence of Acute Kidney Injury.

Research projects have included various studies related to patients with dementia, healthcare costs for living donor kidney transplantation, physical healthcare outcomes for those with severe mental illness, and linking psychological therapies service outcomes data with hospital admissions and prescriptions data.

The 'Pathways to a Cancer Diagnosis' project was undertaken jointly by BSO and QUB in 2018/19 (the first time BSO have collaborated on an Honest Broker Service research project). The project was published in January 2020 and the [full report](#) is available here.

Looking Ahead to 2020/21

It is anticipated that the HBS will continue to support a wide range of both non-research and research projects which will provide a valuable contribution to health and social care policy.

HBS has been asked to collaborate with Health Data Research UK (HDR UK) on setting up a safe and secure e-research platform in Northern Ireland. The pilot project has commenced, and

HBS is currently exploring the possibility of providing secure remote access to data to widen the research customer base, as well as exploring new data linkage functionality. This will be evaluated in 2020/21.

Finance Directorate



Karen Bryson
Director of Finance

Key Achievements and Developments in 2019/20

Year End Accounts

The BSO achieved its statutory breakeven requirements in 2019/20, arriving at a £47k surplus for the Organisation at the financial year end. During the 2019/20 financial year, the Financial Management Division continued to monitor the financial position of the organisation to enable us to effectively manage the break-even requirement.

Budget holders continue to have access to online, drill-down monthly financial information. The total budget that was managed during 2019/20 was £181m and this was reported on to the Senior Management Team, BSO Board and managers monthly throughout 2019/20. The total number of budget reports issued for the year was 173.

BSO's financial statements for 2019/20 (included as part of this document) were approved by the Board on 25 June 2020 and were given an unqualified opinion by the Northern Ireland Audit Office.

Finance Directorate

Client Accounting

The Directorate provided a range of financial accounting and financial management services during 2019/20 to a number of Arms-Length Bodies namely, HSCB, PHA, NISCC, NIGALA, PCC, NIPEC, NIMDTA and RQIA. The client accounting team also prepared full year end Statutory Accounts for NISCC, NIGALA, PCC, NIPEC, NIMDTA and RQIA.

Nursing Bursaries and NI infected blood scheme administration

The Finance Directorate is also responsible, on behalf of the Department of Health, for the effective administration of payments under the above schemes. The total number of payments made was 1,257 amounting to £2.17m for 2019/20. The team supported the ongoing public enquiry into Infected Bloods and team advised and implemented an entitlement payment scale

review for the Northern Ireland. In addition the team supported the increase in Trainee Nursing places implemented by the Department of Health in 2019/20.

Capital Accounting

The Capital Accounting team within the Finance Directorate continue to provide high quality, value for money services, support and advice to both BSO and client organisations, in all aspects of capital accounting, capital business case development and capital asset management. The Capital Accounting team provided advice and recommendations in the development and review of large business cases including the ITS Programme, encompass and the replacement of the BSTP systems.

Financial Governance

The Directorate services and supports the Organisation's Governance and Audit Committee (GAC) which met five times during 2019/20.

BSO is an active participant in the National Fraud Initiative (NFI) and provides regular updates to the NIAO on developments in this regard. The Directorate is also responsible for the wider issue of fraud prevention and detection within the BSO. We work closely with Counter Fraud and Probity Services to ensure all fraud matters are being dealt with appropriately by the BSO.

Looking Ahead to 2020/21

In 2020/21 the challenge will be to continue to provide high quality value for money financial services that will be delivering accurate, reliable and timely information to support the strategic decision-making processes within both BSO and the other arms-length bodies we support. The Finance Directorate will continue to support the business needs of the BSO and other ALBs to support the current COVID 19 Pandemic Plan and the resetting of the Health and Social Care Services.

Internal Audit

The BSO Internal Audit Unit provides an internal audit service to all 17 arms-length bodies of DoH, including BSO itself. The Internal Audit Unit strives to add value and improve client organisations' operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

BSO Internal Audit have a number of ways of engaging with its clients, as routine parts of delivering the Internal Audit service. It also has an Internal Audit Partnership Forum, which meets every six months, to provide a mechanism for clients to ensure the on-going development of the service is in line with customer needs.

The Internal Audit Service is accredited to the ISO 9001:2008 quality standard and is an approved Association of Chartered Certified Accountants (ACCA) Gold status Employer Training and Professional Development Service.

Key Achievements and Developments in 2019/20

The key objective of the Service is to ensure the delivery of the Internal Audit Annual Plans to all client organisations. This key objective was achieved within the required timeline, despite various challenges.

Looking Ahead to 2020/21

During 2020/21, our focus will be on business continuity during the current COVID 19 pandemic and supporting our clients as much as possible during this period. Internally, the Unit's focus will continue to be on staffing stability and training and continued increased use of data analytics in our audit assignments.

Legal Services Directorate



Mr Alphy Maginness
Chief Legal Advisor

The Directorate has continued to provide high quality, customer focused, cost effective legal services exclusively to HSC Bodies in Northern Ireland throughout 2019/20.

The total time spent providing legal support to our HSC clients was 97,000 hours.

DLS has continued to provide legal advice and representation in all core areas of law. In addition, we provided dedicated legal support to clients in areas such as the Neurology and Infected Blood Inquiries,

the new Mental Capacity legislation (deprivation of liberty) as well as significant ICT and other projects, including the encompass project (electronic patient record), the regional Imaging and Labs systems

programmes and the Managed Equipment Service project for Belfast Trust.

Key achievements and developments in 2019/20

- DLS continued its accreditation to ISO and Lexcel Quality Standards
- Our Quality of Service Questionnaire to clients confirmed a continued overall satisfaction rating for our legal services of approximately 90%
- Our ongoing pilot for recovery of residential charges debt in collaboration with 4 client Trusts recovered a further £2.6M with total overall debt recovery of £3.2m this year. These funds are now available for frontline HSC services
- In clinical negligence and other claims, DLS has continued to achieve substantial savings for our clients, including
 - £1,920,445.20 on plaintiff/third party costs through challenge/negotiation
 - £ 646,600.57 on counsel's fee through a cap on fees of the DLS Junior Counsel panel
 - £ 273,966.29 on CRU payments through successful appeals
- In addition to ongoing tribunal work, including 3 very substantial group claims, our employment team, collaborating with BSO and Trust partners, developed and delivered a 2 day practical case study based training programme on Workplace Investigations. More than 90 HSC line managers and HR staff have completed this programme and feedback has been excellent

- Our family section continued to provide representation in Children Order cases in all court tiers throughout the region
- DLS provided representation for 277 listed mental health review tribunals

Looking ahead to 2020/21

- DLS wishes to acknowledge and thank all staff for their commitment and hard work throughout the past year. We will continue to meet our clients' requirements for legal advice and representation in all areas of law in 2020/21.
- DLS plans to conduct a strategic review of our service during 2020/21 in consultation with our clients and staff.
- Subject to business case approval, we also plan to upgrade and modernise our case management systems to further improve the efficiency of our services.

Human Resources and Corporate Services

Human Resources



Mrs Paula Smyth
Director of Human
Resources & Corporate

Business Services Organisation, Human Resource Department, commonly known as BSO HR, is the sole provider of key Human Resources functions as well as strategic and practical planning throughout the year for the wider BSO and Arm's Length Bodies (ALB's).

In September 2019, the Director of Human Resources and Corporate Services moved to a new post in the Northern Health and Social Care Trust. Mrs Paula Smyth was appointed to the role on an interim basis until March 2020. Mrs Smyth was subsequently appointed to the role following a recruitment process in March 2020.

Achievements in 2019/20

- In 19/20 Human Resources led on a number of emerging issues impacting HSC i.e. EU Exit, Industrial Action, Implementation of two pay awards and immediate planning for the impact of Coronavirus on HSC employees and the service.
- The appointment of an International Recruitment Project Lead and Project Support Officer resulted in an immediate focus and delivery of results in the appointment of nursing staff to Trusts. The original target was to achieve 622 international nurse recruits to Trusts from March 2017 - March 2020. By September 2019, prior to the appointment of the Recruitment Project Lead and Project Support Officer, 312 international nurses had been delivered. Between October 2019 when the team commenced and March 2020 a further 192 international nurse recruits arrived. The increased activity would have delivered the original project target by June 2020, had the project not been suspended due to COVID-19.

- HR provides on-going support to staff and managers in the Management of Attendance. In November 2019, attendance management workshops were held with a number of managers to inform an Attendance Management Plan.
- A number of Well Being Initiatives were rolled out in 19/20, these included, Mental Health First Aid Training, Smoking Cessation, Personal Resilience training, and a 6 week Mindfulness Course was delivered in conjunction with Inspire Mental Health.
- The HSC Values were launched in 2019 and in February 2020 lead on BSO's inaugural Leadership Conference with Collective Leadership as the theme. In 2020, BSO had its inaugural Leadership Conference attended by 300+ staff from across the organisation. The main focus of the event was Collective Leadership with speakers focusing on different elements of the Regional Collective Leadership Strategy. Hosted by Gavin Oattes from Tree of Knowledge, the event was well received by attendees and was a mixture of humour, learning and a serious message about the importance of looking after ourselves.
- HR worked with our colleagues in BST to streamline some of our Pay & Conditions processes. Our most complex and time consuming process was the new start process. We have now implemented a dynamic spreadsheet that the team inputs the data for a new start and it will now generate the contract and our new start checklist which is required for Audit purposes. The benefits for the P&C team is that it speeds up the processing time but it also helps to speed up the verification process, which can be slow and time consuming.

Looking ahead to 2020/21

- The Senior HR&CS Team will continue to lead on and support the Senior Management Team in its response to the COVID 19 outbreak. This will include the continuing development of strategic documentation and responses, provision of guidance to managers and staff and the development of Health & Well Being resources to support all of our staff during this unprecedented period.

- Consideration now has to be given across all service areas on the use of technologies to enhance our service provision and learning from recent emergency planning exercises including Industrial Action and Pandemic flu will help inform how we plan our business continuity arrangements and ongoing service provision.
- Launch our revised 3 year Health & Well Being Strategy
- The Implementation and launch of a new Employee Relations / Absence Management Case Tracker system to enable the HR Department to more proactively manage case work and increase compliance with policy and procedures.
- This year BSO plans to have another BSO Awards ceremony. Following the success of the previous BSO Values awards teams from across the organisation will be asked to submit applications for their teams to showcase their successes. More info to follow.
- Put in place further initiatives to support in the recruitment and retention of staff including the development of a Talent Management Framework.
- Progress liP Action Plans and any findings from the Cultural Assessment Survey
- Roll out New to Management Programme
- Undertake a review of core Policies and Procedures such as Attendance at Work, Work Life Balance and Substance Misuse. The implementation of new policies such as Management of Change and a Workplace Policy on Domestic Abuse.
- Going in to 2020/21 we will continue to promote good Health & Wellbeing but utilising our SLA with Inspire Health & Wellbeing. Our aim is to broaden the remit of Health & Wellbeing, as well as focusing on good mental and physical wellbeing we will promote good financial wellbeing. There will be a lot of learning from the COVID 19 pandemic which will inform how we operate in the future which will impact on our wellbeing.

Corporate Services

Estates

During 2019/20 Corporate Services secured the procurement of two new properties as part of lease negotiations to deliver key programmes for the Department of Health. One of these properties is located at Clarendon Dock, Belfast which will be the exclusive location for the Encompass programme. The building became available on 1st May 2020.

The second property is located in Great Victoria Street, Belfast and will become the primary location for BSO's rapidly expanding ITS department which has been commissioned to deliver a number of vital projects to improve the digital infrastructure of Health and Social Care in Northern Ireland.

We have also continued to be proactively involved in the Reform of Property Management (RPM) programme as part of the Belfast Optimisation Project. The acquisition of James House (Gasworks) in Belfast will allow a number of smaller Arm's Length Bodies to co-locate to a central location providing significant lease savings within Health and Social Care.

It is envisaged that James House will be available from late 2021 and a Project Team from BSO has been requested to aid in the transition.

Complaints

BSO has a published policy and associated procedure for handling complaints.

Within this financial year the Information Governance (IG) team dealt with 91 formal complaints. This is a decrease from 103 in the 2018/19 financial year. Lessons learned reviews are carried out after each complaint where appropriate.

Quarterly reports are analysed to identify trends and reported to the Business and Development Committee of the Board. An annual Complaints Report is produced for consideration by the full Board.

The Information Governance (IG) team also ran an awareness campaign to alert staff to their responsibilities in managing complaints. Work will be taken forward in the 2020/21 year to strengthen governance arrangements in BSO's handling of complaints.

Information Requests

During the 2019/20 year, the IG team processed 912 requests for information, via:

- The Freedom of Information Act (2000)
- Data Protection Legislation
- The Access To Health Records Order

This is an increase from 639 in the 2018/19 year.

Data Breaches

During the period 2019/20 there were four instances regarding BSO data breaches reported to the Information Commissioner's Office. No further action was taken by the ICO on each occasion, although they did make some recommendations.

General Data Protection Regulation (GDPR)

BSO undertook a range of actions to continue compliance against GDPR. This included:

- Awareness campaigns for staff
- Updating policies, procedures and privacy notices
- Reviewing all information held, and flows of information
- Expansion of the IG Team to include 3 members of staff

We will continue to work with client organisations in the coming year to embed and expand our corporate service provision in the continued implementation of GDPR.

BUSINESS SERVICES ORGANISATION

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

STATEMENT OF ACCOUNTING OFFICER RESPONSIBILITIES

Under Health and Social Care (Reform) Act (Northern Ireland) 2009, the Department of Health has directed the Business Services Organisation to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The financial statements are prepared on an accruals basis and must provide a true and fair view of the state of affairs of the Business Services Organisation of its income and expenditure, changes in taxpayers equity and cash flows for the financial year.

In preparing the financial statements the Accounting Officer is required to comply with the requirements of Government Financial Reporting Manual (FReM) and in particular to:

- Observe the Accounts Direction issued by the Department of Health including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- Make judgements and estimates on a reasonable basis.
- State whether applicable accounting standards as set out in FReM have been followed, and disclose and explain any material departures in the financial statements.
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Business Services Organisation will continue in operation.
- Keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Business Services Organisation.
- Pursue and demonstrate value for money in the services the Business Services Organisation provides and in its use of public assets and the resources it controls.

The Permanent Secretary of the Department of Health as Principal Accounting Officer for Health and Social Care Resources in Northern Ireland has designated Liam McIvor of the Business Services Organisation as the Accounting Officer for the Business Services Organisation. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Business Services Organisation's assets, are set out in the formal letter of appointment of the Accounting Officer issued by the

Department of Health, Chapter 3 of Managing Public Money Northern Ireland (MPMNI) and the HM Treasury Handbook: Regularity and Propriety.

GOVERNANCE STATEMENT

1. Introduction/Scope of Responsibility

The Board of BSO is accountable for internal control. As Accounting Officer and Chief Executive of the Board, I have responsibility for maintaining a sound system of internal governance that supports the achievement of the Organisation's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am responsible in accordance with the responsibilities assigned to me by the Department of Health.

There are a range of processes and structures in place to facilitate appropriate accountability. These include:

- **Management Statement and Financial Memorandum** to ensure accountability between the DoH and the BSO. Formal accountability meetings are in place in addition to on-going informal liaison.
- **Service Level Agreements with Client Organisations** to manage the working relationships with, or within, the Health and Social Care Board (HSCB), Public Health Agency (PHA), HSC Trusts and other Health and Social Care Organisations. The total value of the SLAs for 2019-20 was £64.1m
- **Partnership Forums and Shared Services Regional Customer Forums**
Partnership meetings with client organisations are conducted annually at a corporate level and BSO Directorates maintain regular customer service engagement meetings. In 2019 the smaller bodies formed an ALB forum and requested BSO stood down individual forums and attend this. An agreed agenda of BSO relevant updates is prepared ahead of each monthly meeting. BSO conduct regular customer surveys and benchmarking activities which is shared at these meetings/for a.

1.2 In addition to the main BSO function, the following Regional Programmes and Administered Services fall within the BSO's accounting boundary:

Regional ICT Programme

Individual ICT projects are commissioned from BSO Information Technology Services (ITS) by HSCB within the context of the Regional HSC e-Health Strategy. BSO is responsible for ensuring that programme funding is spent in line with the annual spend projections agreed between BSO and HSCB, with any exceptions reported to HSCB. The expenditure for the regional ICT Programme for 2019-20 is £9.8m.

Administered Services

On instruction from the DoH, BSO undertakes payment arrangements for a range of services, namely, Bursaries for Nurse Training, Blood Infected Scheme, Healthy Start Initiative, Supplement for Undergraduate Medical and Dental Education (SUMDE) and Regional Training Schemes for which total funding of approximately £19.7m is received via the Revenue Resource Limit (RRL). BSO also makes payments for Interpreting Services on behalf of HSCB totaling approximately £4.8m.

2. Compliance with Corporate Governance Best Practice

The Board of BSO applies the principles of good practice in Corporate Governance and continues to further strengthen its governance arrangements. The Board of BSO does this by undertaking continuous assessment of its compliance with Corporate Governance best practice, for example by assessing the BSO Governance arrangements against the Department of Health's Board Governance Self-Assessment tool.

The BSO undertook its annual Board Governance Self-Assessment in August 2019 and an Action Plan is in place. The Board Governance Self-Assessment tool focuses on four key areas: Board Composition and Commitment, Board Evaluation Development and Learning, Board Insight and Foresight and Board Engagement and Involvement. A Board Impact Case Study also forms part of this exercise. The self-assessment for 2019/20 did not indicate any significant governance issues.

The BSO also receives assurance from external and internal auditors through the Report to those Charged with Governance and Internal Audit Reports.

3. Governance Framework

The Board of BSO exercises strategic control over the operation of the organisation through a system of corporate governance which includes:-

- a Corporate Plan supported by an Annual Business Plan;
- a schedule of matters reserved for Board decisions;
- a scheme of delegation, which gives decision making authority, within set parameters, to the Chief Executive and other officers;
- standing orders and standing financial instructions;
- the operation of a Governance and Audit Committee;
- the operation of a Remuneration Committee and Terms of Service Committee;
- the operation of the Business and Development Committee;
- the Management of Information Systems

3.1 The Role of the BSO Board is to establish the Organisation's strategic direction and aims, in conjunction with the Senior Management Team, to ensure accountability to the public for the Organisation's performance and also ensure that the Organisation is managed with probity and integrity. The BSO Board has three sub committees:

- Governance and Audit
- Remuneration and Terms of Service
- Business and Development

Attendance records are maintained for the Board of BSO and its sub committees. These are detailed in the table below. Each sub committee has an approved Terms of Reference which is reviewed on an annual basis to ensure that the Committee is discharging its role and performance responsibilities.

Table 1: Attendance records for Board of BSO and Sub Committees as at 31 March 2020

Board/Committee	Number of meetings	% Attendance
BSO Board	12	92
Governance and Audit	5	90
Remuneration and Terms of Service	1	100
Business and Development	4	85

3.2 *Role of the Governance and Audit Committee (GAC)*

The GAC, under the Chairmanship of a Non-Executive Director, meets not less than four times a year in line with its Terms of Reference. Its main role is to provide an independent and objective view of internal control by overseeing internal and external audit services, reviewing financial systems, ensuring compliance with the BSO Standing Orders and Standing Financial Instructions and reviewing the Financial Statements including the Schedule of Losses. The work of internal and external audit is fundamental in providing assurances on the ongoing effectiveness of the system of internal control. Following each meeting, the Chair presents a summary report from the meeting to the BSO Board highlighting any specific governance issues. Minutes of the Committee are submitted to the BSO Board for information/noting once approved by the Committee. The GAC Chair also provides the BSO Board with an annual report in June.

The GAC completes the National Audit Office Audit Committee Self-Assessment Checklist on an annual basis to assess its effectiveness. The 2019/20 assessment was carried out in October 2019 and did not indicate any significant issues.

3.3 *Role of the Remuneration and Terms of Service*

The Remuneration and Terms of Service Committee is chaired by the Chairman of the BSO Board and its role is to advise the Board about appropriate remuneration and terms of service for the Chief Executive and other Senior Executives, guided by DoH policy and best practice. In addition, the Committee oversees the proper functioning of the performance appraisal systems.

3.4 *Role of the Business and Development Committee*

The Business and Development Committee is chaired by a Non-Executive Director and is required to meet quarterly. The role of this Committee is to increase the capacity of the BSO Board to oversee the running of the Organisation and provide assurance to Non-Executive Directors that sufficient time is being spent scrutinising organisational performance. The Committee focuses on information management, Service Level Agreement performance, benchmarking, customer satisfaction, management of complaints, human resources and corporate services policies, adverse incidents and freedom of information.

Following each meeting, the Chair presents a summary report of the meeting to the BSO Board highlighting any specific issues. Minutes of the Committee are submitted to the BSO Board for information/noting once approved by the Committee.

4. Business Planning and Risk Management

Business planning and risk management is at the heart of governance arrangements to ensure that statutory obligations and ministerial priorities are properly reflected in the management of business at all levels within the organisation.

4.1 *Business Planning*

The BSO as an Arm's Length Body is required to take its lead from the wider Department of Health strategic vision and goals and contributes to the priorities set out by the NI Programme for Government. Therefore, the business planning process is carried out in accordance with DoH guidance the outcome of which results in the production of a Corporate Plan. This Corporate Plan sets out the mission, core values and long term objectives that will shape the strategic direction and priorities for a three year period. The BSO has four long term corporate objectives which are set out on pages 19 and 20 of this Annual Report and Accounts. The Corporate Plan is supported by an Annual Business Plan which contains key priorities, targets and actions grouped under strategic objectives focusing on the organisation's core purpose. The plan includes appropriate objectives and targets relating to corporate governance, quality, resources and service delivery/improvement.

To date, it has been the practice for the DoH to utilise the BSO Annual Business Plan as a basis for accountability reviews and checks progress periodically throughout the year. The BSO also uses the Business Plan internally to guide action and update performance management metrics and risk registers. These Plans are also useful to customers to show the strategic direction of BSO. Corporate and business plans are driven beyond the BSO strategic planning process into the operational layers of the organisation. Each business area within the BSO has its own local business plan which reflects the Strategic Objectives and feeds into the corporate Business Plan. These local business plans have formed the basis of work for Directors, Assistant Directors, Managers and Staff across the organisation and of individual and team performance appraisals.

4.2 *Risk Management*

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The BSO's Risk Register is an integral part of the Assurance Process and is used as a mechanism for the Board, Governance and Audit Committee and SMT to assess the effectiveness of controls and assurances which have been identified to manage risks to the achievement of BSO objectives.

The Chief Executive is responsible for ensuring that the BSO has a systematic programme of risk identification, assessment, management and quality improvement processes and procedures. These are approved and monitored by the Governance and Audit Committee on behalf of the BSO. The Director of Finance is the Board's Accountable Officer for Risk Management, which is delivered through the Directorate of Customer Care and Performance. Operational responsibility for risk is led by BSO Directors who are responsible for the management of risks within their respective Directorates.

The BSO has a Risk Management Strategy and associated policies and procedures in place which describe the arrangements for embedding risk management into the activities of the BSO. These were reviewed in April 2019 by the Governance and Audit Committee. The updated Strategy is in line with the overall HSC Regional Risk approach and based on the principles of ISO 31000: 2018.

The BSO's aim is to ensure good risk management is evident and sustained throughout the organisation by the involvement of all staff in the identification and management of risk in their service area. Staff are involved in identifying and assessing risks for their service area; the outcome of which is reported through completion of the following:

Corporate Risk Register which is managed by SMT and quantifies strategic risks and outlines controls/assurances and action plans approved by the Governance and Audit Committee on behalf of the BSO Board to ensure the focused and effective management of these risks.

Service Area Risk Register which is managed at service level and quantifies all risks, sets out controls in place and determines the residual risk that remains. It is comprised of all the identified risks for each service within a service area and it is the direct responsibility of the various Assistant Directors/Heads of Service to manage the risks in their respective areas.

Assurance regarding the effectiveness of the risk management policy is gained through:

- Annual risk management systems audit by Internal Audit

Risk Awareness training is included in the formal BSO Corporate Induction programme and one to one training is also provided as the need arises.

5. Information Risk

The General Data Protection Regulation (GDPR) took effect across Europe on 25 May 2018. This brought with it significantly increased responsibilities in respect of how organisations collect, process and secure personal data and significant penalties for

breaching the requirements. Implementation of the action plan is now complete. Progress against the action plan is reported on a regular basis to SMT and the Board.

Central to the safeguarding of information held by BSO is the effective management of information risks. Risks to the management of information/data security are identified and managed by individual directorates and that work is coordinated through the Information Governance Management Group, representatives of which are drawn from across the BSO.

Regular reports are provided to SMT and the BSO Board through the Business and Development Committee. The Chief Legal Adviser is the Data Guardian for the Organisation whilst the Director of Human Resources and Corporate Services is the Senior Information Risk Officer. BSO has also appointed a Data Protection Officer.

The Information Governance Management Group oversees all aspects of information governance including Freedom of Information, Records Management and all information management related Policies. It also monitors progress in respect of the completion and updating of Information Asset Registers, Information Flow Mapping and Corporate Records Inventory.

Operationally, there are controls in place at directorate level to manage access to personal data. All of the regional systems and those which support the FPS payments are governed by data subject access requirements. All key systems are password protected and subject to automatic protocols which require regular change.

Regular mandatory training is delivered to all BSO staff, providing them with an up to date understanding of information governance issues and risks.

6. Public Stakeholder Involvement

The BSO is not required by statute to establish appropriate governance arrangements to involve and consult with service users, however, the BSO recognises that effective involvement is a key component in the delivery of a high quality service. Customer Forums have been established and customer and staff surveys undertaken to ensure

that appropriate and proportionate measures are in place to make certain that service delivery arrangements are informed by the views of our stakeholders. The BSO Board holds several of its meetings outside Belfast each year to enhance public access to its meetings.

7. Assurance

The BSO Assurance Framework was approved by the Board in October 2013 and provides a mechanism for the effective and focused management of the principal risks to meeting the BSO Strategic objectives. In addition, a Schedule of Assurances mapped out to each BSO area of service was presented to the Governance and Audit Committee in April 2015 and reviewed annually. The most recent review was in January 2019.

The BSO receives assurances through the following key internal control frameworks: reports from sub committees to the Board, risk management process, monitoring of the corporate Annual Business Plan, self-assessments based on former controls assurance standards, performance frameworks, business continuity exercises, budgetary control process, audit control process, performance appraisals, mid-year and annual governance statements, adverse incidents and complaints, customer partnership forums, customer and staff surveys. Policies and procedures are reviewed regularly to ensure they are fit for purpose.

The BSO Board has considered the quality of information/data being presented to the Board and how this could be maintained/improved. The agreed process for ensuring the quality of data presented to the BSO Board assigns responsibility to each BSO Director for the quality of data within their own remit or area of expertise.

7.1 *Compliance with Circular HSS (F) 67/2006*

In 2006 the DHSSPS issued a circular on the arrangements for dealing with payments to legal representatives for claims and the controls expected. As the sole provider of legal services to the HSC, the BSO Directorate of Legal Services is required to comply with this circular.

The Chief Legal Adviser has confirmed that the BSO is compliant with the requirements outlined in the Departmental Circular HSS (F) 67/2006.

7.2 *Fraud*

BSO takes a zero tolerance approach to fraud in order to protect and support our key public services. We have put in place an Anti-Fraud Policy and Fraud Response Plan to outline our approach to tackling fraud, define staff responsibilities and the actions to be taken in the event of suspected or perpetrated fraud, whether originating internally or externally to the Organisation. Our Fraud Liaison Officer (FLO) promotes fraud awareness, coordinates investigations in conjunction with the BSO Counter Fraud and Probity Services team and provides advice to personnel on fraud reporting arrangements. All staff are provided with mandatory fraud awareness training in support of the Anti-Fraud Policy and Fraud Response Plan, which are kept under review and updated as appropriate or every three years.

8. Sources of Independent Assurance

The BSO obtains Independent Assurance from the following sources:

8.1 *Internal Audit*

The BSO utilises an internal audit function which operates to defined standards and whose work is informed by an analysis of risk to which the body is exposed and annual audit plans are based on this analysis. In 2019-20 Internal Audit reviewed the systems documented in the table below.

In her annual report, the Head of Internal Audit provided a satisfactory assurance on the adequacy and effectiveness of the BSO's framework of governance, risk management and control. Details in respect of all limited audits are set out in the table below and narrative which follows:

Table 2: Internal Audit Reports – Level of Assurance

AUDIT ASSIGNMENT	LEVEL OF ASSURANCE
FINANCE AUDITS	
Financial Review – DRAFT	Satisfactory - Payments to Staff and Travel Limited - HRPTS System Administrator processes and BSO Staff in Post Checks
Procurement & Management of Corporate Services Contracts	Satisfactory - 4 out of the 5 Corporate Services contracts sampled Limited - Management of the Facilities Management contract (1 out of the 5 Corporate Services contracts sampled)
CORPORATE RISK BASED AUDITS	
Family Practitioner Services – Maintenance of Information Used to Calculate GP Global Sum Payments	Satisfactory <i>Limited assurance in relation to the Management of the NHAIS Information System in the Screening audit is applicable to this area</i>
Administration of Screening Programmes (specifically Cytology and Bowel screening programmes)	Limited – Administration of the 2 screening programmes Limited - Management of Information Systems (namely NHAIS and BSIMs)
PaLS Procurement	Satisfactory
PALS Use of FPL and Warehouse Management Solution DRAFT	Satisfactory
Pension Processing	Satisfactory
Cyber security IT Audit – Managing User Privileges and ITS Risk Management	Satisfactory

AUDIT ASSIGNMENT	LEVEL OF ASSURANCE
DRAFT	
GOVERNANCE AUDITS	
Board Effectiveness	Satisfactory
Risk Management	Satisfactory
Management of Complaints	Limited
SHARED SERVICE AUDITS	
Shared Services Accounts Receivable	Satisfactory
Accounts Payable Shared Services	Satisfactory
Payroll Service Centre – Follow Up Review September 2019	Limited
Payroll Service Centre – Year End March 2020	Satisfactory – Elementary Payroll Processes Limited – Timesheets, Management of Overpayments and System Configuration
Recruitment Shared Service Centre	Satisfactory – RSSC Recruitment Processes Limited – eRecruit System Functionality

8.1.1 *Financial review*

The internal audit opinion in respect of this report was split. Satisfactory assurance was provided in respect of financial processes reviewed but limited assurance was provided on HRPTS systems administrator processes. Priority 1 recommendations included the need for improved monitoring of the System Administration role and conflicts with the segregation of duties matrix.

8.1.2 Procurement & Management of Corporate Services Contracts

Limited assurance was given in respect of the monitoring of the Facilities Management contract. The report highlighted that BSO is unable to confirm that all planned maintenance has been carried out per the annual schedule.

8.1.3 Administration of Screening Programmes

This report provided a Limited assurance for both Administration of the 2 screening programmes as well as the Management information systems. The Head of Internal made specific points on:

- Formal clarity is required over ownership and management of National Health Application and Infrastructure Services (NHAIS) and Bowel Screening Information Management system (BSIMs). Clarity is also required as to whether BSO has complied with its GDPR obligations to identify whether it is the data controller or processor for the data contained within these systems.
- Access privileges to NHAIS and BSIMs are not adequately controlled, managed and monitored. There is no clearly identified system administrator for BSIMs.
- There is a need for clarity over roles within the Screening team, in particular defining responsibility for specific tasks.

8.1.4 Management of Complaints

A limited Assurance was provided for the Management of Complaints. The report highlighted that information provided to the committee monitoring complaints did not comply with the complaints policy. Areas of concern related to the production of an annual Complaints report, annual survey and risk assessments on complaints received.

8.1.5 Payroll Service Centre

Two audit assignments were performed for Payroll Service Centre (PSC), the mid-year follow up and the end of year. Significant actions have been taken throughout 2019/20 resulting in a split assurance. Elementary Payroll Processes were given a satisfactory assurance. Timesheets, Management of Overpayments and System Configuration were, however, given a Limited assurance. End-to-end timesheet processes in the HSC(including within PSC) require strengthening, particularly in the area of demonstrating

appropriate authorisation. PSC have not adequately resolved previously reported issues with calculating overpayments and handing overpayments over to Accounts Receivable for recovery. Work continues on a project to reconcile RTI (Real Time Information) data from HRPTS to HMRC data

8.1.6 *Recruitment Shared Service Centre*

Recruitment Shared Service Centre was given a split assurance. RSSC recruitment processes was given a satisfactory assurance, Recruitment System Functionality was given a Limited assurance. There are multiple additional processes, controls and workarounds that are in place to facilitate the recruitment process. In some cases, this means the same information is recorded in multiple systems/places duplicating effort and increasing the risk of errors.

8.1.7 All accepted recommendations made in the 2019/20 Internal Audit reports (listed in paragraph 8.1, Table 2) have been implemented or are being progressed by management.

8.1.9 *Prior Year Recommendations*

During 2019/20 114 (57%) of the 199 recommendations followed up were fully implemented, a further 75 (38%) were partially implemented, and 10 (5%) were not yet implemented. The audit control process reported progress on recommendations to the GAC and to SMT and this will continue during 2020/21. The Internal Audit Plan for 2020/21 will continue to focus on addressing those areas deemed to pose the highest risk to the attainment of the Organisation's objectives.

8.2 *Northern Ireland Audit Office*

The Financial Statements of the BSO are audited by the Northern Ireland Audit Office who provides independent assurance to the Northern Ireland Assembly. Any control weaknesses identified in the course of conducting the audit are communicated to the Governance and Audit Committee in the Report to those Charged with Governance. A representative from the Northern Ireland Audit office attends the BSO GAC meetings.

8.3 *Attainment /Reaccreditation*

The BSO continues to promote the value of external assurance gained through benchmarking services, attainment/reaccreditation of recognised awards such as Centre of Procurement Expertise (COPE), Investors in People (IIP), Lexcel, Mark of Excellence Award and International Standards Organisation (ISO). They form part of the assurance process which assist the BSO in providing assurance to others that risks are effectively managed and the organisation is on track to achieve its strategic vision, aims and objectives.

9. Review of Effectiveness of the System of Internal Governance

As Accounting Officer, I have responsibility for the review of effectiveness of the system of internal governance. My review of the effectiveness of the system of internal governance is informed by the work of the internal auditors and the executive managers within the BSO who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Governance and Audit Committee and the Business and Development Committee and a plan to address weaknesses and ensure continuous improvement to the system is in place.

10. Internal Governance Divergences

10.1 *Update on prior year control issues which have now been resolved and are no longer considered to be control issues.*

10.1.1 *Regional IT Incident Management*

In August 2017 internal audit conducted an assignment to review aspects of cyber security within BSO. A priority one finding was reported in respect of the lack of an HSC wide IT incident management protocol. The responsibility for an HSC wide protocol lies with HSCB Digital Health team as BSO only have responsibility and maintain the BSO managed IT estate. Through the regional cyber Programme

arrangements for incident management have been confirmed. A dedicated cyber security programme manager within BSO was appointed in March 2018 and a regional programme board for cyber security was established. DXC completed a high level risk assessment against ISO27001 across the HSC and the recommendations from that are implemented through the regional cyber Programme. BSO have developed a number of regional Business cases approved in 2019 which are in the process of implementation.

A regional cyber incident process was agreed in 2019 as part of the regional cyber security programme. The approach is based on the current “federated” delivery model where each organisation will manage an incident which occurs within its own IT estate. If an incident occurs within more than one organisation then BSO will take on the management of the incident, recognising the constraints of the federated delivery model.

The Cyber Incident Response Action Plan has been tested during 2019. An animation has also been developed to accompany the launch of the plan. The Forescout network discovery tool and Tenable vulnerability management tool have been implemented in all HSC organisations and follow-up training identified for system administrators. Further technical improvements are in implementation mode delivered through the regional Programme.

10.2 Update on prior year control issues which continue to be considered control issues.

10.2.1 Interface from Payroll Systems to Pensions Systems

Pensions Service (HSCPS) Altair system receives an electronic interface from the BSO Shared Services payroll system, updating members’ records on a monthly basis. At the outset of procuring a new payroll solution this interface requirement was identified and included as part of the new system requirements. In May 2012 an initial specification was submitted to the system supplier, detailing Altair data interface requirements and subsequently the interface went live on 25 May 2016.

Although the interface is operating as per design, errors are occurring due to incomplete information within the payroll system. At December 2017 there were approximately 7,500 data queries. Legacy queries were reduced to circa 2000, through a Pensions Payroll remediation team, but subsequently increased to levels of circa 4,500. A transfer of pension related functions from the Payroll Shared Services Centre to HSC Pension Services (HSCPS) to streamline pension activity and improve customer service was completed. With queries remaining at circa 4,500, a comprehensive change request was agreed, an impact assessment completed and software change developed. This solution awaits detailed System Testing, with the need of a combined team of testers from HR, Shared Services Payroll and Pensions Payroll. Unfortunately COVID 19 lockdown has delayed testing and deployment, and this is a priority when lock-down restrictions are eased in 2020.

10.2.2 *Underpayment of Employers' Superannuation Contributions*

During February 2017 it was brought to the attention of the BSO Payroll Shared Services Centre, by one of the HSC bodies, that there was a potential error in how the HRPTS system was calculating employers' superannuation contributions during periods of sickness and ordinary and stretch maternity leave. This error in the specification of the system dates back to the introduction of HRPTS which went 'live' in BSO in December 2012 and was rolled out throughout HSC on a phased basis thereafter.

Subsequent significant investigations resulted in the identification of a material regional liability in respect of underpayments of these contributions dating back to the introduction of the new HRPTS system in each individual HSC body. All HSC employers made payments on account of estimated liability to the Pension Scheme in 2017/18 and 2018/19. The mechanism to correct the system was implemented in 2019/20. While the system solution at this stage does not address the requirement in full, sufficient additional manual processes have been implemented to obtain regional agreement that the control divergence has been addressed. A further system change is currently undergoing testing and will be implemented in 2020/21.

10.3 Identification of new issues and challenges in the current year and anticipated future issues.

There were no new issues and challenges identified.

11. Budget Position and Authority

The Assembly passed the Budget Act (Northern Ireland) 2020 in March 2020 which authorised the cash and use of resources for all departments and their Arms' Length Bodies for the 2019-20 year, based on the Executive's final expenditure plans for the year. The Budget Act (Northern Ireland) 2020 also authorised a Vote on Account to authorise departments' access to cash and use of resources for the early months of the 2020-21 financial year. While it would be normal for this to be followed by the 2020-21 Main Estimates and the associated Budget (No. 2) Bill before the summer recess, the COVID-19 emergency and the unprecedented level of allocations which the Executive has agreed in response, has necessitated that the Budget (No. 2) Bill is instead authorising a further Vote on Account to ensure departments and their Arms' Length Bodies have access to the cash and resources through to the end of October 2020, when the Main Estimates will be brought to the Assembly and the public expenditure position is more stable.

12. UK exit from the EU

On 29 March 2017, the UK Government submitted its notification to leave the EU in accordance with Article 50. On 31 January 2020, the Withdrawal Agreement between the UK and the EU became legally binding and the UK left the EU. The future relationship between the EU and the UK will be determined by negotiations taking place during the transition period ending 31 December 2020. As uncertainty still exists regarding the Northern Ireland Protocol, this is under review in conjunction with key stakeholders. Business Services Organisation will continue to work collaboratively with colleagues during 2020-21 across the Department, HSC and wider to ensure we are appropriately prepared for the end of the transition period and the new dispensation.

13. COVID 19

The World Health Organisation (WHO) declared the outbreak of Coronavirus disease (COVID-19) a global pandemic on 11 March 2020. Following which the Department and its ALBs immediately enacted emergency response plans across the NI Health sector. There is UK-wide coordinated approach guided by the scientific and medical advice from respective Chief Medical Officers and Chief Scientific Advisers informed by the emergent evidence nationally and internationally. Evidence-based UK-wide policies and guidelines continue to be carefully followed in conjunction with the PHA issuing local guidelines and ensuring readily accessible and continually updated advice. The pandemic has had extensive impact on the health of the population, all health services and the way business is conducted across the public sector. Protecting the population, particularly the most vulnerable, ensuring that health and social care service were not overwhelmed, saving lives through mitigating the impact of the pandemic and patient and staff safety has remained at the forefront throughout health's emergency response. This has required a number of measures to urgently repurpose and temporarily reconfigure the provision of services, and to identify additional capacity including the need to ensure availability of appropriate Personal Protective Equipment. Financial measures have been put in place by the NI Executive to enable NI to tackle the response to COVID-19 and Health has obtained essential financial support from this package of measures to assist in the ongoing fight against COVID-19.

Contingency arrangements have been in operation including the establishment of an Emergency Operations Centre within the Department to support HSC colleagues' frontline response to the pandemic. Given the wide ranging impact and the need to react immediately to changing healthcare needs, this has had an effect on the ability to conduct routine health business with a need to curtail non-urgent healthcare activity in order to re-direct resources to deal with the pandemic. There have been substantial resourcing impacts across the Department and ALBs to scale up the response to ensure adequate staff resourcing to meet increasing demands which included calling on volunteers, retired medical staff and medical students to rally together to strive to enable an optimum response to the pandemic.

Social distancing measures were implemented in line with The Health Protection (Coronavirus, Restrictions) (Northern Ireland) Regulations 2020 and the health sector played an important part in ensuring the NI population were aware of the need to

adhere to the measures to reduce risk of transmission. The actions of the health sector throughout the continued response to the pandemic are based on the ongoing assessment of three key criteria: the most up-to-date scientific evidence; the ability of the health service to cope; and the wider impacts on our health, society and the economy. Across healthcare, leading on the testing of COVID-19 in NI has and continues to be a key priority with testing centres being set up across the country including mobile testing. The Department's Expert Advisory Group has overseen the strategic approach to testing in NI. The Minister of Health is a member of the Ministerial Testing Taskforce, chaired by the Secretary of State for Health, and so NI is fully engaged with the strategy for testing at a national level. NI testing capacity has also been increased through Health's facilitation of the UK Coronavirus National Testing Programme. Northern Ireland Contact Tracing Service began contact tracing all confirmed cases of COVID-19 on 18 May 2020. Volunteers have been recruited and redeployed across the health sector and the team is being scaled up to strive to ensure that every conceivable effort is made to continue to limit transmission as lockdown measures across the region are eased. The Department has prepared a COVID-19 Test, Trace and Protect Strategy which sets out the public health approach to minimising COVID-19 transmission in the community in Northern Ireland. The Chief Medical Officer has established a Strategic Oversight Board for the NI COVID-19 strategy which will bring all of the key elements together – namely testing, contact tracing, information and advice, and support - working together with colleagues across the HSC to endeavour to maintain community transmission at a low level and respond to clusters of infection localised in NI. The early outcome is more favourable than the modelling of the reasonable worst case scenario and the Department and HSC are no longer in emergency response mode, some areas have been able to be stood down in recent times although there is a need to continue to remain vigilant and in a state of operational readiness to react should a resurgence occur.

Alongside the ongoing and changing needs of response to COVID-19 there is an urgent need to seek to rebuild wider healthcare services and confidence in the community. Officials have over recent weeks carried out an urgent project to assess the impact of COVID-19 on HSC services delivery. On 9 June 2020 a new Strategic Framework was launched aimed at rebuilding health and social care services. The key aim will be to incrementally increase HSC service capacity as quickly as possible across all

programmes of care, within the prevailing COVID-19 conditions. A new Management Board for Rebuilding HSC Services has also been created. This will broadly consist of senior Department of Health officials, Trust Chief Executives and other HSC leaders. COVID-19 has had a profound impact on the delivery of health and social care services and across the HSC plans are incrementally being enacted to begin recovery whilst planning for a potential second wave. The Department is continuing to work closely across the HSC to support and define the requirements and opportunities to meet continuing and rapidly changing pressures in these unprecedented and challenging times.

14. Conclusion

The BSO has a rigorous system of accountability which I can rely on as Accounting Officer to form an opinion on the probity and use of public funds, as detailed in Managing Public Money NI (MPMNI).

Further to considering the accountability framework within the Body and in conjunction with assurances given to me by the Head of Internal Audit, I am content that the BSO has operated a sound system of internal governance during the financial year 2019/20.

REMUNERATION AND STAFF
REPORT

Remuneration Report

A Committee of Non-Executive Board members exists to advise the full Board on the remuneration and terms and conditions of service for Senior Executives employed by the Business Services Organisation.

While the salary structure and the terms and conditions of service for Senior Executives is determined by the Department of Health,(DoH), the Remuneration and Terms of Service Committee has a key role in assessing the performance of Senior Executives and, where permitted by DoH, agreeing the discretionary level of performance related pay.

A circular on the 2019-20 Senior Executive pay award had not been received from the DoH by 31 March 2020, therefore related payments have not been made to Executive Directors.

The 2016-17 Senior Executive's pay award was set out in Departmental circular HSC (SE) 1/2016 and was paid in line with the Remuneration Committee's agreement on the classification of Executive Directors' performance, categorised against the standards of 'fully acceptable' or 'incomplete' as set out within the circular.

The salary, pension entitlement and the value of any taxable benefits in kind paid to both Executive and Non-Executive Directors is set out within this report. None of the Executive or Non-Executive Directors of the BSO received any other bonus or performance related pay in 2019-20. It should be noted that Non-Executive Directors do not receive pensionable remuneration and therefore there will be no entries in respect of pensions for Non-Executive members.

Non-Executive Directors are appointed by the DoH under the Public Appointments process and the duration of such contracts is normally for a term of four years.

Remuneration Report

Executive Directors are employed on a permanent contract unless otherwise stated in the following remuneration tables.

Early Retirement and Other Compensation Schemes

There were no early retirements or payments of compensation for other departures relating to current or past Senior Executives during 2019-20.

Membership of the Remuneration and Terms of Service Committee:

Ms Julie Erskine – Chair

Mr. Robert Bannon

Mr. Mark Campbell

The Committee is supported by the Chief Executive and the Director of Human Resources

Remuneration Report

Senior Management Remuneration (Audited)

The salary, pension entitlements and the value of any taxable benefits in kind of the most senior members of the Business Services Organisation were as follows:

Name	2019-20					2018-19				
	Salary £000s	Bonus / Per- formance Pay £000s	Benefits in kind (rounded to nearest £100)	Pension Benefits (rounded to near- est £1,000)	Total £000s	Salary £000s	Bonus / Per- formance Pay £000s	Benefits in kind (rounded to nearest £100)	Pension Benefits (rounded to nearest £1,000)	Total £000s
Non-Executive Members										
Julie Erskine	20-25	-	100	-	20-25	20-25	-	100	-	20-25
Dorothy Whittington	5-10	-	-	-	5-10	5-10	-	-	-	5-10
Jeremy Stewart	5-10	-	-	-	5-10	5-10	-	-	-	5-10
Mark Campbell	5-10	-	-	-	5-10	5-10	-	-	-	5-10
Robert Bannon	5-10	-	-	-	5-10	5-10	-	-	-	5-10
Patricia Gordon	5-10	-	-	-	5-10	5-10	-	-	-	5-10
Sean McKeever	5-10	-	-	-	5-10	5-10	-	-	-	5-10
* Deep Sagar Resigned 28/2/19	-	-	-	-	-	5-10	-	-	-	5-10
Executive Members										
Liam Mclvor (Appointed as Chief Ex- ecutive on 25/4/16)	95-100	-	200	-5	90-95	95-100	-	300	-5	90-95
Sam Waide	80-85	-	100	30	110-115	80-85	-	100	20	100-105
Karen Bryson (Appointed as Director of Finance on 31/1/20)	10-15 Full Year 75-80			-2	10-15					
Simon McGrattan (Acting Director of Fi- nance 07/05/19 – 29/01/20)	55-60 Full Year 75-80			32	90-95					

Wendy Thompson (Left 6/5/19)	5-10 Full Year 75-80	-	-	-1	5-10	70-75	-	5,200	11	85-90
Alphy Maginness	80-85	-	100	-11	70-75	80-85	-	100	-11	70-75
Karen Bailey	75-80	-	-	-1	70-75	75-80	-	-	-4	75-80
Paula Smyth (Appointed as Director of Human Resources 02/9/19)	55-60 Full Year 65-70		9,400	17	80-85					
Karen Hargan (Left on 19/9/19)	35-40 Full Year 80-85	-	-	-	-	80-85	-	-	337	415-420

* Mr Sagar resigned on 28 February 2019 after serving a notice period of 3 months. This is in line with the standard 3 month notice period for BSO Directors.

The Benefits in kind arise from any mileage expense claimed which is above the annual HMRC-approved rate or the taxable benefit from participating in the HSC Leased Car Scheme.

Remuneration Report

Pensions of Senior Management (Audited)

Name	Real increase in pension and related lump sum at age 60 £000s	Total accrued pension at age 60 and related lump sum £000s	CETV at 31/03/19 £000s	CETV at 31/03/20 £000s	Real increase in CETV £000s
Liam McIvor	0-2.5 plus lump sum of 0-2.5	35-40 plus lump sum of 110-115	841	890	8
Sam Waide	0-2.5 plus lump sum of 0	5-10 plus lump sum of 0	69	91	17
Karen Bryson	0 plus lump sum of 0	0 plus lump sum of 0	-	-	-
Alphy Maginness	-	-	-	-	-
Karen Bailey	0-2.5 plus lump sum of 0	25-30 plus lump sum of 85-90	644	680	7
Paula Smyth	0-2.5 plus lump sum 0-2.5	15-20 plus lump sum 20-25	216	240	13

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the HPSS pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures and the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the HPSS pension scheme.

They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

CETVs are calculated within the guidelines prescribed by the institute and Faculty of Actuaries.

Remuneration Report

Real Increase in CETV - This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (Including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Fair Pay Statement (Audited)

The Hutton Fair Pay Review recommended that, from 2011-12, all public service organisations publish their top to median pay multiples each year. The DoH issued Circular HSC (F) 23/2012 and subsequently issued Circular HSC (F) 23/2013, setting out a requirement to disclose the relationship between the remuneration of the most highly paid director in the organisation and the median remuneration of the organisation's workforce. Following application of the guidance contained in Circular (F) 23/2013, the following can be reported:

Band of Highest Paid Director's Total

Remuneration: £95 - 100k

Median Total Remuneration: £22,461

Ratio: 4.2

Range of Staff Remuneration £17 - 95k

STAFF REPORT

Staff Report

Staff Profile and Composition

The following table shows staff composition of permanently employed and Board Members as at 31 March 2020:

Staff Gender Breakdown	Male	Female	Total
Non-Executive	4	3	7
Senior Management	12	12	24
Administrative & Clerical	743	717	1,460
	759	732	1,491

Staff Numbers and Related Costs (Audited)

Staff Costs

	2020			2019
	Permanently employed staff	Others	Total	Total
	£000s	£000s	£000s	£000s
Staff costs comprise:				
Wages and salaries	44,279	6,530	50,809	45,236
Social security costs	4,146	52	4,198	3,787
Other pension costs	8,949	84	9,033	6,262
Sub-Total	57,374	6,666	64,040	55,285
Capitalised staff costs	(1,895)	(643)	(2,538)	(1,089)
Total staff costs reported in Statement of Comprehensive Expenditure	55,479	6,023	61,502	54,196
Less recoveries in respect of outward secondments			(1,496)	(1,080)
Total net costs			60,006	53,116

The BSO participates in the HSC Superannuation Scheme. Under this multi-employer defined benefit scheme both the BSO and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the DoH. The BSO is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis.

Staff Report

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the statement of financial position date and updates it to reflect current conditions. The 2016 valuation for the HSC Pension scheme updated to reflect current financial conditions (and a change in financial assumption methodology) will be used in 2019-20 accounts.

Average number of persons employed (Audited)

The average number of whole time equivalent persons employed during the year was as follows:

	2020		2019	
	Permanently employed staff No.	Others No.	Total No.	Total No.
Administrative and clerical	1,491	178	1,669	1,590
Total average number of persons employed	1,491	178	1,669	1,590
Less average staff number relating to capital- ised staff costs			31	27
Less average staff number in respect of out- ward secondments			37	57
Total net average number of persons em- ployed			1,601	1,506

The staff numbers disclosed as 'Others' in 2019-20 relate to temporary members of staff.

Staff report

Reporting of early retirement and other compensation scheme – exit packages (Audited)

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of packages by cost band	
	2019	2020	2019	2020	2019	2020
<£10,000	-	-	-	-	-	-
£10,000-£25,000	-	-	-	-	-	-
£25,000-£50,000	-	-	-	-	-	-
£50,000-£100,000	-	-	1	-	1	-
£100,000-£150,000	-	-	-	-	-	-
£150,000-£200,000	-	-	-	-	-	-
>£200,000	-	-	-	-	-	-
Total number of exit packages by type	-	-	1	-	1	-
	£000s	£000s	£000s	£000s	£000s	£000s
Total resource cost	-	-	62	-	62	-

Redundancy and other departure costs have been paid in accordance with the provisions of the HSC Pension Scheme Regulations and the Compensation for Premature Retirement Regulations, statutory provisions made under the Superannuation Act 1972. Exit costs are accounted for in full in the year in which the exit package is approved and agreed and are included as operating expenses at note 3. Where early retirements have been agreed, the additional costs are met by the employing authority and not by the HSC pension scheme. Ill health retirement costs are met by the pension scheme and are not included in the table.

Staff Benefits

Refer to pages 130 to 131.

Retirements due to ill health

During 2019-20 there were three early retirements from BSO agreed on the ground of ill-health. (2018-19: 1). The estimated additional pension liabilities of these ill-health retirements will be £195k (2018:19: £32k). These costs are borne by the HSC Pension Scheme.

Staff Report

Staff Absence

The cumulative sickness and absenteeism rate for the organisation as at the end of March 2020 was 4.57% which was above the Departmental target of 4.27%.

Staff Communication and Employee Involvement

The BSO communicates with staff using a range of channels. Team briefings are intended to facilitate a clear communication of the connection between an individual's contribution and corporate success. The monthly newsheet "*BSO Business Matters*" has continued to be developed as a means of disseminating corporate information. Further details on employee engagement may be found as appropriate within the report of the Director of Human Resources and Corporate Services.

Equality

The BSO is committed to promoting equality of opportunity for all. Details of good practice and training initiatives, including those relating to disability issues are contained within the Equality and Human Rights section of the report of the Director of Customer Care and Performance.

Health and Well-Being

Details of BSO Health and Well-Being initiatives are contained within the report of the Director of Human Resources and Corporate Services.

Health and Safety

Classroom and on-line training on a variety of Health and Safety issues such as Fire Safety are available to members of BSO staff on Induction and as required.

Learning and Development

Details of Learning and Development for BSO staff are contained within the report of the Director of Human Resources and Corporate Services.

Community and Social Involvement

Information on Community and Social Involvement undertaken by BSO staff is contained within the Performance Analysis section of the Performance Report.

Staff Report

Expenditure on Consultancy

The BSO did not undertake any projects involving external consultancy during the 2019-20 financial year.

Off Payroll Staff Resources

	Number of staff
Off Payroll staff as at 1 April 2019	0
New engagements during the year	0
Number of engagements transferred to department's payroll	0
Number of engagements that have come to an end during the year	0
Off Payroll staff as at 31 March 2020	0

ACCOUNTABILITY AND AUDIT REPORT

ACCOUNTABILITY REPORT

Assembly Accountability Disclosure Notes

Losses statement	2019-20		2018-19
	Number of Cases	£	£
Total number of losses	1,108		2,059
Total value of losses		46,527	38,811

Individual losses	2019-20		2018-19
	Number of Cases	£	£
Cash losses	1	39,943	-
Claims abandoned	-	-	-
Administrative write-offs	-	-	4,997
Fruitless payments	-	-	-
Stores losses	1,106	6,430	8,814

Special payments	2019-20		2018-19
	Number of Cases	£	£
Total number of special payments	-	-	1
Total value of special payments	-	-	25,000

Special Payments over £250,000	2019-20		2018-19
	Number of Cases	£	£
Compensation payments			
- Clinical Negligence	-	-	-
- Public Liability	-	-	-
- Employers Liability	-	-	-
- Other	-	-	-
Ex-gratia payments	-	-	-
Extra contractual	-	-	-
Special severance payments	-	-	-
Total special payments	-	-	-

Funding Report

1. Funding

BSO is funded by the DoH through an annual Revenue Resource Limit and by management fees raised against HSC Organisations for services offered under Service Level Agreements.

2. Regularity of Expenditure (Audited)

BSO has processes, procedures and controls in place to endeavour to ensure that the expenditure and income reported for the year ended 31 March 2020, has been applied to the purposes intended by the NI Assembly and that transactions conform to the authorities which govern them. BSO has a delegated Scheme of Authority which sets out who are authorised to place non-pay expenditure. The Scheme sets out who are authorised to place requisitions and the maximum level of each requisition.

The Director of Finance ensures that expenditure is in accordance with regulations and all necessary authorisations have been obtained.

Long Term Expenditure Plans

Long term expenditure plans are referenced within the body of the annual report by functional area.

Special Payments

There were no other special payments or gifts made during the year.

Other Payments and Estimates

There were no other payments made during the year.

Losses and Special Payments over £250,000

The BSO had no losses or made no special payments over £250,000.

ii Fees and Charges (Audited)

There were no other fees and charges during the year.

iii Remote Contingent Liabilities (Audited)

In addition to contingent liabilities reported within the meaning of IAS37, the BSO also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability.

The BSO had no remote contingent liabilities.



Chief Executive (Interim)

Date 25 June 2020

Section C

ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

BUSINESS SERVICES ORGANISATION

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

FOREWORD

The accounts for the year ended 31 March 2020 have been prepared in a form determined by the Department of Health based on guidance from the Department of Finance's Financial Reporting manual (FReM) and in accordance with the requirements of the Health and Social Care (Reform) Act (Northern Ireland) 2009.

CERTIFICATE OF THE DIRECTOR OF FINANCE, CHAIR AND CHIEF EXECUTIVE

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 149 to 195) which I am required to prepare on behalf of the Business Services Organisation have been compiled from and are in accordance with the accounts and financial records maintained by the Business Services Organisation and with the accounting standards and policies for HSC bodies approved by the DoH.



Director of Finance

Date 25 June 2020

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 149 to 195) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.



Chair

Date 25 June 2020



Chief Executive (Interim)

Date 25 June 2020

BUSINESS SERVICES ORGANISATION

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Opinion on financial statements

I certify that I have audited the financial statements of the Business Services Organisation for the year ended 31 March 2020 under the Health and Social Care (Reform) Act (Northern Ireland) 2009. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Business Services Organisation's affairs as at 31 March 2020 and of the Business Services Organisation's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Health and Social Care (Reform) Act (Northern Ireland) 2009 and Department of Health directions issued thereunder.

Emphasis of Matter

I draw attention to Note 1.3 of the financial statements, which describes the material valuation uncertainties for Land and Buildings due to the consequences of the COVID-19 pandemic. My opinion is not modified in respect of the matter.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of the Business Services Organisation in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs(UK) require me to report to you where:

- the Business Services Organisation's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the Business Services Organisation have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Business Services Organisation's ability to continue to adopt the going concern basis.

Other Information

The Business Services Organisation and the Accounting Officer are responsible for the other information included in the annual report. The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in the report as having been audited, and my audit certificate and report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Health directions made under the Health and Social Care (Reform) Act (Northern Ireland) 2009; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities of the Business Services Organisation and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer Responsibilities, the Business Services Organisation and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Health and Social Care (Reform) Act (Northern Ireland) 2009.

My objectives are to obtain evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

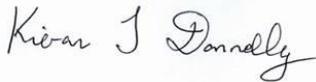
Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Report

A report on the valuation of land and buildings is not considered necessary, as the circumstances are beyond the control of management.



KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

9 July 2020

BUSINESS SERVICES ORGANISATION

STATEMENT of COMPREHENSIVE NET EXPENDITURE for the year ended 31 March 2020

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which includes changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

	NOTE	2020 £000s	2019 £000s
Income			
Revenue from contracts with customers	4.1	116,652	108,606
Other operating income	4.2	21,070	18,141
Total operating income		137,722	126,747
Expenditure			
Staff costs	3	(61,502)	(54,196)
Purchase of goods and services	3	(53,229)	(49,624)
Depreciation, amortisation and impairment charges	3	(14,892)	(16,138)
Provision expense	3	53	(3)
Other expenditures	3	(51,503)	(48,239)
Total operating expenditure		(181,073)	(168,200)
Net Expenditure		(43,351)	(41,453)
Finance income	4.2	-	-
Finance expense	3	-	-
Net expenditure for the year		(43,351)	(41,453)
Revenue Resource Limit (RRL) received from DoH	22.1	43,398	41,492
Surplus / (Deficit) against RRL		47	39

OTHER COMPREHENSIVE EXPENDITURE

	NOTE	2020 £000s	2019 £000s
Items that will be classified to net operating costs:			
Net gain/(loss) on revaluation of property, plant & equipment	5.1/8/5.2/8	6,101	217
Net gain/(loss) on revaluation of intangibles	6.1/8/6.2/8	93	350
Net gain/(loss) on revaluation of financial instruments	7/8	-	-
Items that may be reclassified to net operating costs:		-	-
Net gain/(loss) on revaluation of investments		-	-
TOTAL COMPREHENSIVE EXPENDITURE for the year ended 31 March 2020		(37,157)	(40,886)

The notes on pages 153 to 195 form part of these accounts.

BUSINESS SERVICES ORGANISATION

STATEMENT of FINANCIAL POSITION as at 31 March 2020

This statement presents the financial position of the BSO. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

	NOTE	2020 £000s	2019 £000s
Non Current Assets			
Property, plant and equipment	5.1/5.2	38,285	31,029
Intangible assets	6.1/6.2	51,394	51,003
Financial assets	7	-	-
Trade and other receivables	12	-	-
Other current assets	12	-	-
Total Non Current Assets		89,679	82,032
Current Assets			
Assets classified as held for sale	9	-	-
Inventories	10	9,285	10,313
Trade and other receivables	12	20,633	19,206
Other current assets	12	3,391	2,008
Intangible current assets	12	-	-
Financial assets	7	-	-
Cash and cash equivalents	11	540	10,058
Total Current Assets		33,849	41,585
Total Assets		123,528	123,617
Current Liabilities			
Trade and other payables	13	(39,252)	(37,130)
Other liabilities	13	-	-
Intangible current liabilities	13	-	-
Financial liabilities	7	-	-
Provisions	14	(163)	(178)
Total Current Liabilities		(39,415)	(37,308)
Total assets less current liabilities		84,113	86,309
Non Current Liabilities			
Provisions	14	(316)	(421)
Other payables > 1 yr	13	-	-
Financial liabilities	7	-	-
Total Non Current Liabilities		(316)	(421)
Total assets less total liabilities		83,797	85,888
Taxpayers' Equity and other reserves			
Revaluation reserve		16,427	10,233
SoCNE Reserve		67,370	75,655
Total equity		83,797	85,888

The financial statements on pages 149 to 195 were approved by the Board on 25 June 2020 and were signed on its behalf by:

Signed  (Chair) Date 25 June 2020

Signed  (Interim Chief Executive) Date 25 June 2020

The notes on pages 153 to 195 form part of these accounts.

BUSINESS SERVICES ORGANISATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 March 2020

The Statement of Cash Flows shows the changes in cash and cash equivalents of the BSO during the reporting period. The statement shows how the BSO generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the BSO. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the BSO future public service delivery.

	NOTE	2020 £000s	2019 £000s
Cash flows from operating activities			
Net surplus after interest/Net operating expenditure		(43,351)	(41,453)
Adjustments for non cash costs		13,495	15,470
(Increase)/decrease in trade and other receivables		(2,810)	(1,326)
<i>Less movements in receivables relating to items not passing through the NEA</i>			
Movements in receivables relating to the sale of property, plant & equipment		-	-
Movements in receivables relating to the sale of intangibles		-	-
Movements in receivables relating to finance leases		-	-
(Increase)/decrease in inventories		1,028	(6,093)
Increase/(decrease) in trade payables		2,122	7,103
<i>Less movements in payables relating to items not passing through the NEA</i>			
Movements in payables relating to the purchase of property, plant & equipment		238	(947)
Movements in payables relating to the purchase of intangibles		6,646	(2,960)
Movements in payables relating to finance leases		-	-
Use of provisions	14	(67)	(46)
Net cash outflow from operating activities		<u>(22,699)</u>	<u>(30,252)</u>
Cash flows from investing activities			
(Purchase of property, plant & equipment)	5	(6,023)	(4,031)
(Purchase of intangible assets)	6	(15,753)	(7,638)
Proceeds of disposal of property, plant & equipment		18	27
Proceeds on disposal of intangibles		-	-
Proceeds on disposal of assets held for resale		-	-
Net cash outflow from investing activities		<u>(21,758)</u>	<u>(11,642)</u>
Cash flows from financing activities			
Grant in aid		34,939	48,839
Cap element of payments - finance leases and on balance sheet (SoFP) PFIs and other service concession arrangements		-	-
Net financing		<u>34,939</u>	<u>48,839</u>
Net increase (decrease) in cash & cash equivalents in the period		(9,518)	6,945
Cash & cash equivalents at the beginning of the period	11	10,058	3,113
Cash & cash equivalents at the end of the period	11	540	10,058

The notes on pages 153 to 195 form part of these accounts.

BUSINESS SERVICES ORGANISATION

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY for the year ended 31 March 2020

This statement shows the movement in the year on the different reserves held by the BSO, analysed into the 'Statement of Comprehensive Net Expenditure Reserve' (i.e. those reserves that reflect a contribution from the Department of Health Social Services and Public Safety). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The Statement of Comprehensive Net Expenditure Reserve (SoCNE Reserve) represents the total assets less liabilities of the BSO, to the extent that the total is not represented by other reserves and financing items.

	NOTE	SoCNE Reserve £000s	Revaluation Reserve £000s	Total £000s
Balance at 31 March 2018		68,145	9,666	77,811
Changes in taxpayers' equity 2018-19				
Grant from DoH		48,839	-	48,839
Other reserves movements including transfers		-	-	-
(Comprehensive expenditure for the year)		(41,453)	567	(40,886)
Transfer of asset ownership		-	-	-
Non cash charges - auditors remuneration	3	124	-	124
Non cash charges – notional costs	3	-	-	-
Balance at 31 March 2019		75,655	10,233	85,888
Changes in taxpayers' equity 2019-20				
Grant from DoH		34,939	-	34,939
Other reserves movements including transfers		-	-	-
(Comprehensive expenditure for the year)		(43,351)	6,194	(37,157)
Transfer of asset ownership		-	-	-
Non cash charges - auditors remuneration	3	127	-	127
Non cash charges – notional costs	3	-	-	-
Balance at 31 March 2020		67,370	16,427	83,797

BUSINESS SERVICES ORGANISATION

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE ACCOUNTS

STATEMENT OF ACCOUNTING POLICIES

1. Authority

These accounts have been prepared in a form determined by the Department of Health based on guidance from the Department of Finance's Financial Reporting Manual (FReM) and in accordance with the requirements of Article 90(2) (a) of the Health and Personal Social Services (Northern Ireland) Order 1972 No 1265 (NI 14) as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the BSO for the purpose of giving a true and fair view has been selected. The particular policies adopted by the BSO are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

1.2 Currency and Rounding

These accounts are presented in £ sterling and rounded in thousands.

1.3 Property, Plant and Equipment

Property, plant and equipment assets comprise Land, Buildings, Dwellings, Transport Equipment, Plant & Machinery, Information Technology, Furniture & Fittings, and Assets under construction.

Recognition

Property, plant and equipment must be capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the entity;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £1,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

On initial recognition property, plant and equipment are measured at cost including any expenditure such as installation, directly attributable to bringing them into working condition. Items classified as “under construction” are recognised in the Statement of Financial Position to the extent that money has been paid or a liability has been incurred.

Valuation of Land and Buildings

Land and buildings are carried at the last professional valuation, in accordance with the Royal Institute of Chartered Surveyors (Statement of Asset Valuation Practice) Appraisal and Valuation Standards in so far as these are consistent with the specific needs of the HSC.

The last valuation was carried out on 31 January 2020 by Land and Property Services (LPS) which is an independent executive body within the Department of Finance. The valuers are qualified to meet the ‘Member of Royal Institution of Chartered Surveyors’ (MRICS) standard. Professional revaluations of land and buildings are undertaken at least once in every five year period and are revalued annually, between professional valuations, using indices provided by LPS.

As a result of the recent and ongoing COVID-19 pandemic events, and in line with current RICS guidance, LPS have advised that *market evidence gathered as part of the recent 5-yearly valuation has attached to it, due to the worldwide impact of the pandemic, an increased level of*

uncertainty in terms of informing opinions of value. Whilst at this stage there is no evidence of impairment as at year-end, the future impact of COVID-19 on land and building values cannot yet be accurately assessed therefore the need for further future valuations will remain under consideration, subject to resources.

Land and buildings used for the BSO services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Fair values are determined as follows:

- Land and non-specialised buildings – open market value for existing use
- Specialised buildings – depreciated replacement cost
- Properties surplus to requirements – the lower of open market value less any material directly attributable selling costs, or book value at date of moving to non-current assets

Modern Equivalent Asset

DoF has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. Land and Property Services (LPS) have included this requirement within the latest valuation.

Assets Under Construction (AUC)

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Assets are revalued and depreciation commences when they are brought into use.

Short Life Assets

Short life assets are not indexed. Short life is defined as a useful life of up to and including 5 years. Short life assets are carried at depreciated historic cost as this is not considered to be materially different from fair value and are depreciated over their useful life.

Where estimated life of fixtures and equipment exceed 5 years, suitable indices will be applied each year and depreciation will be based on indexed amount.

Revaluation Reserve

An increase arising on revaluation is taken to the revaluation reserve except when it reverses impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure.

1.4 Depreciation

No depreciation is provided on freehold land since land has unlimited or a very long established useful life. Items under construction are not depreciated until they are commissioned. Properties that are surplus to requirements and which meet the definition of “non-current assets held for sale” are also not depreciated.

Otherwise, depreciation is charged to write off the costs or valuation of property, plant and equipment and similarly, amortisation is applied to intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. Assets held under finance leases are also depreciated over the lower of their estimated useful lives and the terms of the lease. The estimated useful life of an asset is the period over which the BSO expects to obtain economic benefits or service potential from the asset. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. The following asset lives have been used.

Asset Type	Asset Life
Freehold Buildings	25 – 60 years
Leasehold property	Remaining period of lease
IT Assets	3 – 10 years
Intangible assets	3 – 15 years
Other Equipment	3 – 15 years

1.5 Impairment loss

If there has been an impairment loss due to a general change in prices, the asset is written down to its recoverable amount, with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure within the Statement of

Comprehensive Net Expenditure. If the impairment is due to the consumption of economic benefits the full amount of the impairment is charged to the Statement of Comprehensive Net Expenditure and an amount up to the value of the impairment in the revaluation reserve is transferred to the Statement of Comprehensive Net Expenditure Reserve. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited firstly to the Statement of Comprehensive Net Expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

1.6 Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure which meets the definition of capital restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

The overall useful life of the BSO's buildings takes account of the fact that different components of those buildings have different useful lives. This ensures that depreciation is charged on those assets at the same rate as if separate components had been identified and depreciated at different rates.

1.7 Intangible assets

Intangible assets includes any of the following held - software, licences, trademarks, websites, development expenditure, Patents, Goodwill and intangible Assets under Construction. Software that is integral to the operating of hardware, for example an operating system is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use;
- the intention to complete the intangible asset and use it;
- the ability to sell or use the intangible asset;

- how the intangible asset will generate probable future economic benefits or service potential;
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the BSO's business or which arise from contractual or other legal rights. Intangible assets are considered to have a finite life. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the BSO; where the cost of the asset can be measured reliably. All single items over £5,000 in value must be capitalised while intangible assets which fall within the grouped asset definition must be capitalised if their individual value is at least £1,000 each and the group is at least £5,000 in value.

The amount recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date of commencement of the intangible asset, until it is complete and ready for use.

Intangible assets acquired separately are initially recognised at fair value.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, and as no active market currently exists depreciated replacement cost has been used as fair value.

1.8 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. In order to meet this definition IFRS 5 requires that the asset must be immediately available for sale in its current condition and that the sale is highly probable. A sale is regarded as highly probable where an active plan is in place to find a buyer for the asset and the sale is considered likely to be concluded within one year. Non-current assets held for sale are measured at the lower of their

previous carrying amount and fair value, less any material directly attributable selling costs. Fair value is open market value, where one is available, including alternative uses.

Assets classified as held for sale are not depreciated.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount. The profit from sale of land which is a non depreciating asset is recognised within income. The profit from sale of a depreciating asset is shown as a reduced expense. The loss from sale of land or from any depreciating assets is shown within operating expenses. On disposal, the balance for the asset on the revaluation reserve is transferred to the Statement of Comprehensive net Expenditure reserve.

Property, plant or equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

1.9 Inventories

Inventories are valued at the lower of cost and net realisable value. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.10 Income

BSO acts as an agent on behalf of other HSC Organisations and receives income in the form of management fees for these services. Income is classified between Revenue from Contracts and Other Operating Income as assessed necessary in line with organisational activity, under the requirements of IFRS 15 and as applicable to the public sector. Judgement is exercised in order to determine whether the 5 essential criteria within the scope of IFRS 15 are met in order to define income as a contract. Income relates directly to the activities of the BSO and is recognised when, and to the extent that a performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised. Where the criteria to determine whether a contract is in existence is not met, income is classified as Other Operating Income within the Statement of Comprehensive Net Expenditure and is recognised when the right to receive payment is established.

Grant in aid

Funding received from other entities, including the Department and the Health and Social Care Board are accounted for as grant in aid and are reflected through the Statement of Comprehensive net Expenditure Reserve.

1.11 Investments

The BSO does not have any investments.

1.12 Research and Development expenditure

Following the introduction of the 2010 European System of Accounts (ESA10), from 2016-17 there has been a change in the budgeting treatment (a change from the revenue budget to the capital budget) of research and development (R&D) expenditure. As a result, additional disclosures are included in the notes to the accounts.

1.13 Other expenses

Other operating expenses for goods or services are recognised when, and to the extent that, they have been received. They are measured at the fair value of the consideration payable.

1.14 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.15 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The BSO as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between

finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are recognised in calculating the BSO's surplus/deficit.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated. Leased land may be either an operating lease or a finance lease depending on the conditions in the lease agreement and following the general guidance set out in IAS 17. Leased buildings are assessed as to whether they are operating or finance leases.

The BSO as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the BSO's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the BSO's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.16 Private Finance Initiative (PFI) transactions

The BSO has had no PFI transactions during the year.

1.17 Financial instruments

- Financial assets

Financial assets are recognised on the Statement of Financial Position when the BSO becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or

services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value. IFRS 9 introduces the requirement to consider the expected credit loss model on financial assets. The measurement of the loss allowance depends upon the HSC Body's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument.

- Financial liabilities

Financial liabilities are recognised on the Statement of Financial Position when the BSO becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Financial liabilities are initially recognised at fair value.

- Financial risk management

IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the relationships with HSC Commissioners, and the manner in which they are funded, financial instruments play a more limited role within the HSC Bodies in creating risk than would apply to a non-public sector body of a similar size, therefore the ALBs are not exposed to the degree of financial risk faced by business entities.

ALBs have limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing the ALBs in undertaking activities. Therefore the HSC is exposed to little credit, liquidity or market risk.

- Currency risk

The BSO is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The BSO has no overseas operations. The BSO therefore has low exposure to currency rate fluctuations.

- Interest rate risk

The BSO has limited powers to borrow or invest and therefore has low exposure to interest rate fluctuations.

- Credit risk

Because the majority of the BSO's income comes from contracts with other public sector bodies, the BSO has low exposure to credit risk.

- Liquidity risk

Since the BSO receives the majority of its funding through its principal Commissioner which is voted through the Assembly, it is therefore not exposed to significant liquidity risks.

1.18 Provisions

In accordance with IAS 37, provisions are recognised when the BSO has a present legal or constructive obligation as a result of a past event, it is probable that the BSO will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties.

Where a provision is measured using the cash flows estimated to settle the obligation its carrying amount is the present value of those cash flows using DoF-issued discount rates of:

Rate	Time period	Real rate
Nominal	Short term (0 – 5 years)	0.51%
	Medium term (5 – 10 years)	0.55%
	Long term (10 - 40 years)	1.99%

	Very long term (40+ years)	1.99%
Inflationary	Year 1	1.90%
	Year 2	2.00%
	Into perpetuity	2.10%

as at 31 March 2020. Note that PES issued a combined nominal and inflation rate table to incorporate the two elements – please refer to this table as necessary, as included within issuing email of circular HSC(F) 37-2019.

The discount rate to be applied for employee early departure obligations is -0.5% with effect from 31 March 2020.

The BSO has also disclosed the carrying amount at the beginning and end of the period, additional provisions made, amounts used during the period, unused amounts reversed during the period and increases in the discounted amount arising from the passage of time and the effect of any change in the discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the BSO has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the BSO has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with on-going activities of the entity.

1.19 Contingencies

In addition to contingent liabilities disclosed in accordance with IAS 37, the BSO discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Assembly in accordance with the requirements of Managing Public Money Northern Ireland.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

Under IAS 37, the BSO discloses contingent liabilities where there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the BSO, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the BSO. A contingent asset is disclosed where an inflow of economic benefits is probable.

1.20 Employee benefits

Short-term employee benefits

Under the requirements of IAS 19: Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. This cost has been determined using individual's salary costs applied to their unused leave balances determined from a report of the unused annual leave balance as at 31 March 2020. It is not anticipated that the level of unused leave will vary significantly from year to year. Unused flexi leave is estimated to be immaterial to the BSO and has not been included.

Retirement benefit costs

Past and present employees are covered by the provisions of the HSC Superannuation Scheme.

The BSO participates in the HSC Superannuation Scheme. Under this multi-employer defined benefit scheme both the BSO and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the DoH. The BSO is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis. Further information regarding the HSC Superannuation Scheme can be found in the HSC Superannuation Scheme Statement in the Departmental Resource Account for the Department of Health.

The costs of early retirements are met by the BSO and charged to the Statement of Comprehensive Net Expenditure at the time the BSO commits itself to the retirement.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the statement of financial position date and updates it to reflect current conditions. The 2016 valuation for the HSC Pension scheme updated to reflect current financial conditions (and a change in financial assumption methodology) will be used in 2019-20 accounts.

1.21 Reserves

Statement of Comprehensive Net Expenditure Reserve

Accumulated surpluses are accounted for in the Statement of Comprehensive Net Expenditure Reserve.

Revaluation Reserve

The Revaluation Reserve reflects the unrealised balance of cumulative indexation and revaluation adjustments to assets other than donated assets.

1.22 Value Added Tax

Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets.

1.23 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the BSO has no beneficial interest in them. Details of third party assets are given in Note 21 to the accounts.

1.24 Government Grants

The note to the financial statements distinguishes between grants from UK government entities and grants from European Union.

1.25 Losses and Special Payments

Losses and special payments are items that the Assembly would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had HSC bodies not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses and compensations register which reports amounts on an accruals basis with the exception of provisions for future losses.

1.26 Accounting Standards that have been issued but have not yet been adopted

Under IAS 8 there is a requirement to disclose those standards issued but not yet adopted. The suggested wording (to be updated as necessary once 2019-20 standard wording received from DoF) is as follows;

IFRS 16 *Leases* replaces IAS 17 *Leases* and is effective with EU adoption from 1 January 2019. In line with the latest advice from HM Treasury and the Financial Reporting Advisory Board, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2021.

Management consideration of the impact on introduction of IFRS 16 on initial application remains under consideration and will be fully determined in 2020-21.

The IASB issued new and amended standards (IFRS 10, IFRS 11 & IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards were effective with EU adoption from 1 January 2014.

Accounting boundary IFRS' are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on ONS control criteria, as designated by Treasury. A similar review in NI, which will bring NI departments under the same adaptation, has been carried out and the resulting recommendations were agreed by the Executive in December 2016. With effect from 2021-22, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirements under IFRS 12. ALBs apply IFRS in full and their consolidation boundary may change as a result of the new Standards.

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 2 ANALYSIS OF NET EXPENDITURE BY SEGMENT

The core business and strategic direction of the Business Services Organisation is the provision of both shared and support services to the HSC.

The BSO Board acts as the Chief Operating Decision Maker and receives financial information on the BSO under the following headings:

- BSO core – this segment incorporates Finance, Legal Services, Human Resources, Family Practitioner Services, Counter Fraud and Probity, HSC Pensions, Customer Care and Performance, HSC Leadership Centre and Clinical Education Centre, the Business Services Transformation Project and Shared Services.
- Information Technology Services (ITS) – this segment incorporates the functions transferred to the BSO from the Department of Health formally known as the Directorate of Information Services (DIS)
- Procurement and Logistic Services (PaLS) – this segment represents the procurement and supply services provided to HSC Trusts and other HSC Bodies
- Managed Services – the BSO manages several regional services on behalf of the HSC, such as Nursing Bursaries, Infected Bloods and Healthy Start. The costs of these services are represented in this segment.

The analysis by segment for 2019-20 is provided in the following table. Comparative figures are provided in a subsequent table.

BUSINESS SERVICES ORGANISATION

NOTE 2 ANALYSIS OF NET EXPENDITURE BY SEGMENT

Statement of Operating Costs by Operating Segment for the Year Ended 31 March 2020

		Core	ITS	PaLS	Managed Services	TOTAL
	Note	£000s	£000s	£000s	£000s	£000s
Staff Costs						
Wages & Salaries	3	36,204	10,921	12,012	2,365	61,502
		<u>36,204</u>	<u>10,921</u>	<u>12,012</u>	<u>2,365</u>	<u>61,502</u>
Other Expenditure						
IT Programme	3	-	9,772	-	-	9,772
SUMDE	3	-	-	-	2,160	2,160
Bursaries	3	-	-	-	13,569	13,569
Healthy Start	3	-	-	-	2,081	2,081
Regional Interpreting Services	3	-	-	-	4,574	4,574
Cost of Sales	3	-	-	52,436	-	52,436
Supplies and services - general	3	625	56	109	3	793
Establishment	3	9,345	1,225	574	(11)	11,133
Transport	3	343	57	1,080	51	1,531
Premises	3	1,632	503	840	-	2,975
Miscellaneous	3	238	550	113	2,692	3,593
Research & development	3	-	-	-	-	-
Depreciation	3	7,475	-	-	-	7,475
Amortisation	3	7,404	-	-	-	7,404
Impairments	3/8	13	-	-	-	13
(Profit)/ loss on disposal of assets (excluding profit on land)	3	(12)	-	-	-	(12)
Provisions provided for in year	3	(53)	-	-	-	(53)
Auditors Remuneration	3	127	-	-	-	127
Notional costs	3	-	-	-	-	-
		<u>27,137</u>	<u>12,163</u>	<u>55,152</u>	<u>25,119</u>	<u>119,571</u>
Income						
GB/Republic of Ireland Health Authorities	4	-	-	-	-	-
Management fees from HSC Trusts	4	37,319	24,244	15,018	5,603	82,184
Sales	4	-	-	52,583	-	52,583
Donation /Government grant	4	1,459	-	-	-	1,459
Recoveries in respect of outward secondments	4	908	50	66	472	1,496
Research & development	4	-	-	-	-	-
		<u>39,686</u>	<u>24,294</u>	<u>67,667</u>	<u>6,075</u>	<u>137,722</u>
Net Expenditure		<u>(23,655)</u>	<u>1,210</u>	<u>503</u>	<u>(21,409)</u>	<u>(43,351)</u>
Revenue Resource Limit (RRL)	23	<u>22,787</u>	<u>(1,533)</u>	<u>735</u>	<u>21,409</u>	<u>43,398</u>
Surplus/(deficit) against RRL as reported		<u>(868)</u>	<u>(323)</u>	<u>1,238</u>	<u>-</u>	<u>47</u>

BUSINESS SERVICES ORGANISATION

NOTE 2 ANALYSIS OF NET EXPENDITURE BY SEGMENT

Statement of Operating Costs by Operating Segment for the Year Ended 31 March 2019

		Core	ITS	PaLS	Managed Services	TOTAL
	Note	£000s	£000s	£000s	£000s	£000s
Staff Costs						
Wages & Salaries	3	31,883	9,342	10,852	2,119	54,196
		<u>31,883</u>	<u>9,342</u>	<u>10,852</u>	<u>2,119</u>	<u>54,196</u>
Other Expenditure						
IT Programme	3	-	9,562	-	-	9,562
SUMDE	3	-	-	-	1,702	1,702
Bursaries	3	-	-	-	12,874	12,874
Healthy Start	3	-	-	-	2,489	2,489
Regional Interpreting Services	3	-	-	-	4,229	4,229
Cost of Sales	3	-	-	48,826	-	48,826
Supplies and services - general	3	625	98	71	4	798
Establishment	3	8,369	1,267	765	47	10,448
Transport	3	290	52	974	43	1,359
Premises	3	1,575	490	817	-	2,882
Miscellaneous	3	792	162	34	1,547	2,535
Research & development	3	59	-	-	-	59
Depreciation	3	8,260	-	-	-	8,260
Amortisation	3	7,870	-	-	-	7,870
Impairments	3/8	8	-	-	-	8
(Profit)/ loss on disposal of assets (excluding profit on land)	3	(24)	-	-	-	(24)
Provisions provided for in year	3	3	-	-	-	3
Auditors Remuneration	3	124	-	-	-	124
Notional costs	3	-	-	-	-	-
		<u>27,951</u>	<u>11,631</u>	<u>51,487</u>	<u>22,935</u>	<u>114,004</u>
Income						
GB/Republic of Ireland Health Authorities	4	-	-	-	-	-
Management from HSC Trusts	4	34,149	22,357	14,075	5,350	75,931
Sales	4	-	-	48,906	-	48,906
Donation/Government grant	4	771	-	-	-	771
Recoveries in respect of outward secondments	4	381	45	94	560	1,080
Research & development	4	59	-	-	-	59
		<u>35,360</u>	<u>22,402</u>	<u>63,075</u>	<u>5,910</u>	<u>126,747</u>
Net Expenditure		<u>(24,474)</u>	<u>1,429</u>	<u>736</u>	<u>(19,144)</u>	<u>(41,453)</u>
Revenue Resource Limit (RRL)	23	<u>24,179</u>	<u>(2,365)</u>	<u>534</u>	<u>19,144</u>	<u>41,492</u>
Surplus/(deficit) against RRL as reported		<u>(295)</u>	<u>(936)</u>	<u>1,270</u>	<u>-</u>	<u>39</u>

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 3 EXPENDITURE

	2020 £000s	2019 £000s
Operating Expenses		
Staff costs ¹ :		
Wages and salaries	48,271	44,147
Social security costs	4,198	3,787
Other pension costs	9,033	6,262
IT Programme	9,772	9,562
Supplement for Undergraduate Medical and Dental Education (SUM-DE)	2,160	1,702
Bursaries	13,569	12,874
Healthy Start	2,081	2,489
Regional Interpreting Services	4,574	4,229
Cost of Sales	52,436	48,826
Supplies and services – general	793	798
Establishment	11,133	10,448
Transport	1,531	1,359
Premises	2,975	2,882
Interest charges	-	-
Miscellaneous	3,593	2,535
Research & development expenditure	-	59
Non cash items		
Depreciation	7,475	8,260
Amortisation	7,404	7,870
Impairments	13	8
(Profit) on disposal of property, plant and equipment (including land)	(12)	(24)
(Profit) on disposal of intangibles	-	-
Loss on disposal of property, plant and equipment (including land)	-	-
Loss on disposal of intangibles	-	-
Increase / Decrease in provisions (provisions provided for in year less any release)	(53)	3
Cost of borrowing provisions (unwinding of discount on provisions)	-	-
Auditors remuneration	127	124
Notional property costs	-	-
Total	181,073	168,200

During the year the BSO purchased non audit services to the value of £Nil from its auditor in relation to the National Fraud Initiative (2018/19: £Nil). The auditors' remuneration reflects time incurred re the preparation of the Shared Services Report in addition to the audit of the financial statements for the year ended 31 March 2020.

¹ Further detailed analysis of staff costs is located in the Staff Report on page 135 within the Staff Report

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 4 INCOME

4.1 Revenue from contracts with customers

	2020	2019
	£000s	£000s
Management fees - HSC Trusts	64,069	59,700
Non-HSC:- Private patients	-	-
Sale of goods	52,583	48,906
Clients contributions	-	-
Total	116,652	108,606

4.2 Other Operating Income

	2020	2019
	£000s	£000s
Other income from non-patient services	18,115	16,231
Seconded staff	1,496	1,080
Charitable and other contributions to expenditure	-	-
Donations / Government Grant / Lottery Funding for non current assets	1,459	771
Profit on disposal of land	-	-
Interest receivable	-	-
Research and development	-	59
Total	21,070	18,141

TOTAL INCOME

137,722	126,747
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BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 5.1 Property, plant & equipment - year ended 31 March 2020

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Ma- chinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fittings £000s	Total £000s
Cost or Valuation									
At 1 April 2019	3,158	9,669	-	771	279	2,132	51,695	2,025	69,729
Indexation	-	69	-	-	3	23	10	4	109
Additions	-	-	-	-	-	219	5,065	501	5,785
Donations / Government grant / Lottery Funding	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers (6.1)	1,457	(1,457)	-	(771)	-	-	3,632	-	2,861
Revaluation	663	4,600	-	-	-	-	-	-	5,263
Impairment charged to the SoCNE	-	-	-	-	-	-	(15)	-	(15)
Impairment charged to revaluation re- serve	(379)	(290)	-	-	-	-	-	-	(669)
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(143)	(772)	-	(915)
At 31 March 2020	4,899	12,591	-	-	282	2,231	59,615	2,530	82,148

Depreciation

At 1 April 2019	-	1,941	-	-	218	1,043	34,722	776	38,700
Indexation	-	32	-	-	2	12	5	2	53
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	(1,451)	-	-	-	-	-	-	(1,451)
Impairment charged to the SoCNE	-	-	-	-	-	-	(5)	-	(5)
Impairment charged to the revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(143)	(766)	-	(909)
Provided during the year	-	316	-	-	5	269	6,736	149	7,475
At 31 March 2020	-	838	-	-	225	1,181	40,692	927	43,863

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 5.1 (continued) Property, plant & equipment- year ended 31 March 2020

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Ma- chinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fit- tings £000s	Total £000s
Carrying Amount									
At 31 March 2020	4,899	11,753	-	-	57	1,050	18,923	1,603	38,285
At 31 March 2019	3,158	7,728	-	771	61	1,089	16,973	1,249	31,029
Asset financing									
Owned	4,899	11,753	-	-	57	1,050	18,923	1,603	38,285
Finance leased	-	-	-	-	-	-	-	-	-
On B/S (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
Carrying Amount									
At 31 March 2020	4,899	11,753	-	-	57	1,050	18,923	1,603	38,285

Any fall in value through negative indexation or revaluation is shown as impairment.

The total amount of depreciation charged in the Statement of Comprehensive Net Expenditure Account in respect of assets held under finance leases and hire purchase contracts is £Nil (2019: £Nil)

The fair value of assets funded from the following sources during the year was:

	2020 £	2019 £
Donations		25
Government Grant	-	-
Lottery funding	-	-

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 5.2 Property, plant & equipment - year ended 31 March 2019

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Ma- chinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fit- tings £000s	Total £000s
Cost or Valuation									
At 1 April 2018	3,008	9,600	-	448	277	1,869	47,818	1,961	64,981
Indexation	150	47	-	-	2	23	23	30	275
Additions	-	22	-	824	-	440	3,649	43	4,978
Donations / Government grant / Lottery Funding	-	-	-	-	-	-	25	-	25
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	(501)	-	-	427	-	(74)
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Impairment charged to revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(200)	(247)	(9)	(456)
At 31 March 2019	3,158	9,669	-	771	279	2,132	51,695	2,025	69,729

Depreciation

At 1 April 2018	-	1,616	-	-	193	952	27,475	628	30,864
Indexation	-	23	-	-	1	13	10	11	58
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	(29)	-	(29)
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Impairment charged to the revalua- tion reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(200)	(244)	(9)	(453)
Provided during the year	-	302	-	-	24	278	7,510	146	8,260
At 31 March 2019	-	1,941	-	-	218	1,043	34,722	776	38,700

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 5.2 (continued) Property, plant & equipment- year ended 31 March 2019

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Ma- chinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fit- tings £000s	Total £000s
Carrying Amount									
At 31 March 2019	3,158	7,728	-	771	61	1,089	16,973	1,249	31,029
At 1 April 2018	3,008	7,984	-	448	84	917	20,343	1,333	34,117
Asset financing									
Owned	3,158	7,728	-	771	61	1,089	16,973	1,249	31,029
Finance leased	-	-	-	-	-	-	-	-	-
On B/S (SoFP) PFI and other ser- vice concession arrangements con- tracts	-	-	-	-	-	-	-	-	-
Carrying Amount	3,158	7,728	-	771	61	1,089	16,973	1,249	31,029
At 31 March 2019									
Asset financing									
Owned	3,008	7,984	-	448	84	917	20,343	1,333	34,117
Finance leased	-	-	-	-	-	-	-	-	-
On B/S (SoFP) PFI and other ser- vice concession arrangements con- tracts	-	-	-	-	-	-	-	-	-
Carrying Amount	3,008	7,984	-	448	84	917	20,343	1,333	34,117
At 1 April 2018									

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 6.1 Intangible assets- year ended 31 March 2020

	Software Licences £000s	Information Technology £000s	Websites £000s	Development Expenditure £000s	Licences, Trademarks & Artistic Originals £000s	Patents £000s	Goodwill £000s	Payments on Account & Assets under Construction £000s	Total £000s
Cost or Valuation									
At 1 April 2019	14,942	88,159	-	-	-	-	-	6,763	109,864
Indexation	14	211	-	-	-	-	-	-	225
Additions	3,719	366	-	-	-	-	-	5,022	9,107
Donations / Government grant / Lottery Funding	-	-	-	-	-	-	-	1,459	1,459
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers (5.1)	437	144	-	-	-	-	-	(3,442)	(2,861)
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	(14)	-	-	-	-	-	-	(14)
Impairment charged to revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2020	19,112	88,866	-	-	-	-	-	9,802	117,780

Amortisation

At 1 April 2019	8,213	50,648	-	-	-	-	-	-	58,861
Indexation	11	121	-	-	-	-	-	-	132
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	(11)	-	-	-	-	-	-	(11)
Impairment charged to the revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Provided during the year	1,894	5,510	-	-	-	-	-	-	7,404
At 31 March 2020	10,118	56,268	-	-	-	-	-	-	66,386

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 6.1 (continued) Intangible assets- year ended 31 March 2020

	Software Licences £000s	Information Technology £000s	Websites £000s	Development Expenditure £000s	Licences, Trademarks & Artistic Originals £000s	Patents £000s	Goodwill £000s	Payments on Account & Assets under Construction £000s	Total £000s
Carrying Amount									
At 31 March 2020	8,994	32,598	-	-	-	-	-	9,802	51,394
At 31 March 2019	6,729	37,511	-	-	-	-	-	6,763	51,003
Asset financing									
Owned	8,994	32,598	-	-	-	-	-	9,802	51,394
Finance leased	-	-	-	-	-	-	-	-	-
On B/S (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
Carrying Amount									
At 31 March 2020	8,994	32,598	-	-	-	-	-	9,802	51,394

Any fall in value through negative indexation or revaluation is shown as impairment.

The total amount of depreciation charged in the Statement of Comprehensive Net Expenditure Account in respect of assets held under finance leases and hire purchase contracts is £Nil (2019: £Nil)

The fair value of assets funded from the following sources during the year was:

	2020 £	2019 £
Donations	-	20
Government Grant	1,459	726
Lottery funding	-	-

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 6.2 Intangible assets - year ended 31 March 2019

	Software Licences £000s	Information Technology £000s	Websites £000s	Development Expenditure £000s	Licences, Trademarks & Artistic Originals £000s	Patents £000s	Goodwill £000s	Payments on Account & As- sets under Con- struction £000s	Total £000s
Cost or Valuation									
At 1 April 2018	11,307	86,112	-	-	-	-	-	319	97,738
Indexation	44	679	-	-	-	-	-	-	723
Additions	3,379	1,501	-	-	-	-	-	5,718	10,598
Donations / Government grant / Lottery Funding	20	-	-	-	-	-	-	726	746
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	207	(133)	-	-	-	-	-	-	74
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	(15)	-	-	-	-	-	-	-	(15)
Impairment charged to revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2019	14,942	88,159	-	-	-	-	-	6,763	109,864
Amortisation									
At 1 April 2017	7,003	43,593	-	-	-	-	-	-	50,596
Indexation	34	339	-	-	-	-	-	-	373
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	16	13	-	-	-	-	-	-	29
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	(7)	-	-	-	-	-	-	-	(7)
Impairment charged to the revalua- tion reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Provided during the year	1,167	6,703	-	-	-	-	-	-	7,870
At 31 March 2018	8,213	50,648	-	-	-	-	-	-	58,861

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 6.2 (continued) Intangible assets- year ended 31 March 2019

	Software Licences £000s	Information Technology £000s	Websites £000s	Development Expenditure £000s	Licences, Trademarks & Artistic Originals £000s	Patents £000s	Goodwill £000s	Payments on Account & Assets under Construction £000s	Total £000s
Carrying Amount									
At 31 March 2019	6,729	37,511	-	-	-	-	-	6,763	51,003
At 1 April 2018	4,304	42,519	-	-	-	-	-	319	47,142
Asset financing									
Owned	6,729	37,511	-	-	-	-	-	6,763	51,003
Finance leased	-	-	-	-	-	-	-	-	-
On B/S (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
Carrying Amount									
At 31 March 2019	6,729	37,511	-	-	-	-	-	6,763	51,003
Asset financing									
Owned	4,304	42,519	-	-	-	-	-	319	47,142
Finance leased	-	-	-	-	-	-	-	-	-
On SOFP PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
Carrying Amount									
At 1 April 2018	4,304	42,519	-	-	-	-	-	319	47,142

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 7 FINANCIAL INSTRUMENTS

As the cash requirements of BSO are met through Grant-in-Aid provided by the Department of Health, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body.

The majority of financial instruments relate to contracts to buy non-financial items in line with the BSO's expected purchase and usage requirements and the BSO is therefore exposed to little credit, liquidity or market risk.

NOTE 8 IMPAIRMENTS

	2020			
	Property, Plant & Equipment £000s	Intangibles £000s	Financial assets £000s	Total £000s
Total value of impairments for the period	679	3	-	682
Impairments which the revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	(669)	-	-	(669)
Impairments charged to Statement of Comprehensive Net Expenditure Account	10	3	-	13

	2019			
	Property, Plant & Equipment £000s	Intangibles £000s	Financial assets £000s	Total £000s
Total value of impairments for the period	-	8	-	8
Impairments which the revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	-	-	-	-
Impairments charged to Statement of Comprehensive Net Expenditure Account	-	8	-	8

NOTE 9 ASSETS CLASSIFIED AS HELD FOR SALE

The BSO did not hold any assets classified as held for sale in 2019-20 or 2018-19

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 10 INVENTORIES

	2020 £000s	2019 £000s
Goods for resale	9,285	10,313
Total	9,285	10,313

NOTE 11 CASH AND CASH EQUIVALENTS

	2020 £000s	2019 £000s
Balance at 1 st April	10,058	3,113
Net change in cash and cash equivalents	(9,518)	6,945
Balance at 31st March	540	10,058

The following balances at 31 March were held at

	2020 £000s	2019 £000s
Commercial banks and cash in hand	540	10,058
Balance at 31st March	540	10,058

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 12 TRADE RECEIVABLES, FINANCIAL AND OTHER ASSETS

	2020 £000s	2019 £000s
Amounts falling due within one year		
Trade receivables	16,977	15,061
Deposits and advances	-	-
VAT receivable	3,656	4,145
Other receivables – not relating to fixed assets	-	-
Other receivables – relating to property, plant and equipment	-	-
Other receivables – relating to intangibles	-	-
Trade and other receivables	<u>20,633</u>	<u>19,206</u>
Prepayments	3,391	2,008
Accrued income	-	-
Current part of PFI and other service concession arrangements pre-payment	-	-
Other current assets	<u>3,391</u>	<u>2,008</u>
Carbon reduction commitment	-	-
Intangible current assets	-	-
Amounts falling due after more than one year		
Trade receivables	-	-
Deposits and advances	-	-
Other receivables	-	-
Trade and other receivables	<u>-</u>	<u>-</u>
Prepayments and accrued income	-	-
Other current assets falling due after more than one year	<u>-</u>	<u>-</u>
TOTAL TRADE AND OTHER RECEIVABLES	<u><u>20,633</u></u>	<u><u>19,206</u></u>
TOTAL OTHER CURRENT ASSETS	<u><u>3,391</u></u>	<u><u>2,008</u></u>
TOTAL INTANGIBLE CURRENT ASSETS		
TOTAL RECEIVABLES AND OTHER CURRENT ASSETS	<u><u>24,024</u></u>	<u><u>21,214</u></u>

The balances are net of a provision for bad debts of £5k (2018/19: £5k).

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 13 TRADE PAYABLES AND OTHER LIABILITIES

	2020 £000s	2019 £000s
Amounts falling due within one year		
Other taxation and social security	3,135	1,733
Bank overdraft	-	-
VAT payable	-	-
Trade capital payables – property, plant and equipment	-	-
Trade capital payables – intangibles	-	-
Trade revenue payables	12,448	10,107
Payroll payables	-	-
Clinical negligence payables	-	-
BSO payables	-	-
Other payables	(76)	1,203
Accruals	21,421	14,879
Accruals - relating to property, plant and equipment	1,273	1,511
Accruals - relating to intangibles	1,051	7,697
Deferred income	-	-
Trade and other payables	39,252	37,130
Current part of finance leases	-	-
Current part of long term loans	-	-
Current part of imputed finance lease element of PFI contracts and other service concession arrangements	-	-
Other current liabilities	-	-
Carbon reduction commitment	-	-
Intangible current liabilities	-	-
Total payables falling due within one year	39,252	37,130
Amounts falling due after more than one year		
Other payables, accruals and deferred income	-	-
Trade and other payables	-	-
Clinical negligence payables	-	-
Finance leases	-	-
Current part of imputed finance lease element of PFI contracts and other service concession arrangements	-	-
Long term loans	-	-
Total non current other payables	-	-
TOTAL TRADE PAYABLES AND OTHER CURRENT LIABILITIES	39,252	37,130

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 14 PROVISIONS FOR LIABILITIES AND CHARGES – 2020

Name	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical Negligence £000s	CSR Restructuring £000s	Other £000s	2020 £000s
Balance at 1 April 2019	66	392	-	-	141	599
Provided in year	-	-	-	-	17	17
(Provisions not required written back)	(8)	(60)	-	-	(2)	(70)
(Provisions utilised in the year)	(5)	(32)	-	-	(30)	(67)
Cost of borrowing (unwinding of discount)	-	-	-	-	-	-
At 31 March 2020	53	300	-	-	126	479

CSR £

CSR utilised costs include the following:

Pension costs for early retirement reflecting the single lump sum to buy over the full liability
Redundancy costs

-
-
-

Comprehensive Net Expenditure Account Charges

	2020 £000s	2019 £000s
Arising during the year	17	59
Reversed unused	(70)	(56)
Cost of borrowing (unwinding of discount)	-	-
Total charge within Operating costs	(53)	3

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 14 (continued) PROVISIONS FOR LIABILITIES AND CHARGES – 2020

Analysis of expected timing of discounted flows as at 31 March 2020

	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical Negligence £000s	CSR Restruc- turing £000s	Other £000s	2020 £000s
Not later than one year	5	32	-	-	126	163
Later than one year and not later than five years	20	128	-	-	-	148
Later than five years	28	140	-	-	-	168
At 31 March 2020	53	300	-	-	126	479

Provisions have been made for 3 categories of potential liability: early retirement for directors and other staff and outstanding legal cases. The provision for early retirements relates to the future liabilities for the BSO based on information provided by the HSC Superannuation Branch. For other provisions the BSO has estimated an appropriate level of provision based on professional legal advice.

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 14 PROVISIONS FOR LIABILITIES AND CHARGES – 2019

Name	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical Negligence £000s	CSR Restructuring £000s	Other £000s	2019 £000s
Balance at 1 April 2018	70	414	-	-	158	642
Provided in year	1	10	-	-	48	59
(Provisions not required written back)	-	-	-	-	(56)	(56)
(Provisions utilised in the year)	(5)	(32)	-	-	(9)	(46)
Cost of borrowing (unwinding of discount)	-	-	-	-	-	-
At 31 March 2019	66	392	-	-	141	599

Analysis of expected timing of discounted flows as at 31 March 2019

	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical Negligence £000s	CSR Restructuring £000s	Other £000s	2019 £000s
Not later than one year	5	32	-	-	141	178
Later than one year and not later than five years	20	127	-	-	-	147
Later than five years	41	233	-	-	-	274
At 31 March 2019	66	392	-	-	141	599

Provisions have been made for 3 categories of potential liability: early retirement for directors, other staff and outstanding legal cases. The provision for early retirements relates to the future liabilities for the BSO based on information provided by the HSC Superannuation Branch. For other provisions the BSO has estimated an appropriate level of provision based on professional legal advice.

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 15 CAPITAL COMMITMENTS

Contracted capital commitments at 31 March not otherwise included in these financial statements	2020 £000s	2019 £000s
Property, plant and equipment	1,882	1,087
Intangible assets	7,608	4,844
	<u>9,490</u>	<u>5,931</u>

NOTE 16 COMMITMENTS UNDER LEASES

16.1 Finance Leases

BSO has no finance leases

16.2 Operating Leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods:

Obligations under operating leases comprise	2020 £000s	2019 £000s
Land		
Not later than 1 year	-	-
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>-</u>	<u>-</u>
Buildings		
Not later than one year	672	402
Later than one year but not later than five years	1,075	476
Later than five years	-	-
	<u>1,754</u>	<u>878</u>
Other		
Not later than 1 year	322	322
Later than 1 year and not later than 5 years	564	886
Later than 5 years	-	-
	<u>886</u>	<u>1,208</u>

NOTE 16 COMMITMENTS UNDER LESSOR AGREEMENTS

16.3 Operating Leases

BSO has not issued any operating leases.

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 17 COMMITMENTS UNDER PFI CONTRACTS AND OTHER SERVICE CONCESSION ARRANGEMENTS

17.1 Off balance sheet PFI contracts and other service concession arrangements

BSO had no commitments under PFI and other concession arrangement contracts at either 31 March 2020 or 31 March 2019.

17.2 On balance sheet (SoFP) PFI Schemes

The total amount charged in the Statement of Comprehensive Net Expenditure in respect of the service element of on-balance sheet (SoFP) PFI or other service concession transactions was £2,531k (2019: £2,814k). Total future obligations under on-balance sheet PFI and other service concession arrangements are given in the table below for each of the following periods:

Service elements due in future periods	2020 £000s	2019 £000s
Due within one year	1,455	2,814
Due later than one year and not later than five years	-	1,172
Due later than five years	-	-
	<hr/>	<hr/>
	1,455	3,986

The on balance sheet service concession arrangements included above are as follows:

- NIPACS (10 year contract ending August 2020)

NOTE 18 OTHER FINANCIAL COMMITMENTS

The BSO did not have any other financial commitments at either 31 March 2020 or 31 March 2019.

NOTE 19 CONTINGENT LIABILITIES

Court of Appeal judgment on backdated PSNI Holiday Pay:

On 17 June 2019 the Court of Appeal ruled in respect of Northern Ireland Industrial Tribunal's November 2018 decision on cases taken against the PSNI on backdated Holiday Pay. The Supreme Court is currently considering whether to hear an appeal of this decision. This is an extremely rare and complex case with a significant number of issues that still need to be worked through and HSC implications determined and resolved, including further legal advice with regards to the impact of the judgement; the scope; timescales; process of appeals and engagement with Trade Unions. The legal issues arising from this judgment and the implications for the HSC sector will need further extensive consideration.

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

Until there is further clarity on the specifics, based on the inherent uncertainties in the final decision that will be made from an HSC perspective, and the fact that there is currently neither legally nor constructively an obligation for the HSC, a possible obligation exists and a reliable estimate cannot be provided at this time, until the HSC implications are fully explored and concluded.

NOTE 19.1 FINANCIAL GUARANTEES, INDEMNITIES AND LETTERS OF COMFORT

The BSO did not have any financial guarantees, indemnities and letters of comfort at either 31 March 2020 or 31 March 2019.

NOTE 20 RELATED PARTY TRANSACTIONS

The BSO is an arm's length body of the Department of Health and as such the Department is a related party with which the BSO has had various material transactions during the year. In addition the BSO provides a range of shared services to all other HSC bodies.

During the year, none of the Board members, members of the key management staff or other related parties has undertaken any material transactions with the BSO with the exception noted below.

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 21 THIRD PARTY ASSETS

The BSO holds the following bank accounts, which are not included in these financial statements

Name of Account	Details
BSO NIGALA	This account is used for the transfer of funds on behalf of the Northern Ireland Guardian ad Litem Agency (NIGALA), for whom the BSO provides financial and other services. The income and expenditure relating to this account are included in the Annual Accounts of NIGALA and are covered by its audit process.
BSO NISCC BSO NISCC Registration	These accounts are used for the transfer of funds on behalf of the Northern Ireland Social Care Council (NISCC), for whom the BSO provides financial and other services. The income and expenditure relating to these accounts are included in the Annual Accounts of NISCC and are covered by its audit process.
BSO NIPEC	This account is used for the transfer of funds on behalf of the Northern Ireland Practice and Education Council for Nursing and Midwifery (NIPEC), for whom the BSO provides financial and other services. The income and expenditure relating to this account are included in the Annual Accounts of NIPEC and are covered by its audit process.
BSO RQIA	This account is used for the transfer of funds on behalf of the Regulation and Quality Improvement Authority (RQIA), for whom the BSO provides financial and other services. The income and expenditure relating to this account are included in the Annual Accounts of RQIA and are covered by its audit process.
BSO NIMDTA BSO NIMDTA Direct Debit	These accounts are used for the transfer of funds on behalf of the Northern Ireland Medical & Dental Training Agency (NIMDTA) for whom the BSO provides financial and other services. The income and expenditure relating to this account are included in the Annual Accounts of NIMDTA and are covered by its audit process.

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 22 Financial Performance Targets

22.1 Revenue Resource Limit

The BSO is given a Revenue Resource Limit which it is not permitted to overspend.

The Revenue Resource Limit (RRL) for BSO is calculated as follows:

	2020	2019
	Total	Total
	£000s	£000s
DoH (excludes non cash)	32,434	28,836
Other Government Department	-	-
Non cash RRL (from DoH)	14,954	16,241
Total agreed RRL	47,388	45,077
Adjust for income received re Donations/ Government Grant / Lottery for non current assets	(1,459)	(771)
Adjustment for IFRIC 12	(2,531)	(2,814)
Total Revenue Resource Limit to Statement Comprehensive Net Expenditure	43,398	41,492

22.2 Capital Resource Limit

The BSO is given a Capital Resource Limit (CRL) which it is not permitted to overspend.

	2020	2019
	Total	Total
	£000s	£000s
Gross Capital Expenditure	16,351	16,347
Less income received re Donations/ Government Grant / Lottery for non current assets	(1,459)	(771)
Less IFRIC 12 spend (Receipts from sales of fixed assets)	(2,531)	(2,814)
	(18)	(27)
Net capital expenditure	12,343	12,735
Capital Resource Limit	12,416	12,750
Overspend/(Underspend) against CRL	(73)	(15)

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

22.3 Financial Performance Targets

The BSO is required to ensure that it breaks even on an annual basis by containing its surplus to within 0.25% of RRL and Income

	2020	2019
	£000s	£000s
Net Expenditure	(43,351)	(41,453)
RRL	43,398	41,492
Surplus/(Deficit) against RRL	47	39
Break Even cumulative position (opening)	1,523	1,484
Break Even cumulative position (closing)	<u>1,570</u>	<u>1,523</u>

RRL and Income

RRL	43,398	41,492
Income per note 4.1	116,652	108,606
Total for inclusion in materiality test	<u>160,050</u>	<u>150,098</u>

Materiality Test:

	2020	2019
	%	%
Break Even in year position as % of RRL and Income	0.03%	0.03%
Break Even cumulative position as % of RRL and Income	1.00%	1.03%

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 23 EVENTS AFTER THE REPORTING PERIOD

There are no post balance sheet events having a material effect on the accounts.

DATE AUTHORISED FOR ISSUE

The Accounting Officer authorised these financial statements for issue on 9 July 2020.

ISBN 978-0-9927662-8-3